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December 11, 2013

Independent Insurance Agents Association of Montana
3131 Dredge Dr.
HELENA, MT. 59602

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DEC 16 2013

Dear Mr. Biskupiak,

This letter is being written in hopes that you can champion a cause that our insurance broker suggested to us. It deals with the issue of subrogation for workers compensation.

Our company has had to deal with two insurance claims in the past five years that were caused by the negligence of a third party. However, the injury to our employees had to be paid by our workers compensation carrier. In both cases the injured employees took legal action against the responsible third party on their own behalf yet neither our company nor our workers compensation carrier had any legal recourse against the responsible party.

In the first case our carrier paid close to \$100,500 (claim is still open) and the result of this claim was that our insurance premiums increased due to our experience modification factor increasing. This one claim had a monetary cost to our company of approximately \$40,000. I can't help but wonder what the annual financial impact of claims such as this has on businesses in Montana.

I understand that the State of North Dakota does not allow situations such as this to occur. No wonder their workers compensation rates are the lowest in the nation.

Our company is a member of a wholesalers group. We all would like to see a change to this concept of not having recourse against the responsible parties for workers compensation claims. We would assist in any cause that would start the ball rolling to get this concept changed for the financial benefit of all business in Montana.

Thank for your consideration. If you would like to have more information regarding these claims or if we can assist your efforts to get this changed, please feel free to ask.

Sincerely,

A handwritten signature in cursive script that reads "Agnes Mabe".

Agnes Mabe
Vice President / Controller
Gusto Distributing Co. Inc.
406-727-2618
Cell # 406-231-0259

Ex 4