

## Murdo, Patricia

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**From:** Mike Taylor [Mike\_Taylor@ncci.com]  
**Sent:** Wednesday, August 22, 2012 10:55 AM  
**To:** Chuck Hunter; Murdo, Patricia  
**Subject:** RE: eligibility for firefighters  
**Attachments:** MT HB 408 ver 2 write-up FINAL.pdf

Representative Hunter:

During the last 5 years, proposals related to a rebuttable presumption of compensability for first responders for claims involving conditions such as cancer have appeared in approximately 20 NCCI states. These types of changes typically have a negligible impact on an overall statewide basis, but could have a notable to significant impact on the loss costs for the affected class codes. As an example, I have attached our analysis of HB 408 from the 2009 legislative session. Note the wide spread on the estimated impact of the bill. The impacts of enacted changes have been explicitly reflected in the classification loss costs in some states.

In most states, especially those where the language is in its final form (i.e., enacted), the impact on the affected class codes has been estimated to be in the single digits. However, in some instances NCCI has estimated specific class code impacts in the double digits (and higher in one extreme case) based on the statutory changes proposed. Clearly, the impacts can vary significantly depending on the particulars of the enacted and/or proposed language. While not exhaustive, the following are some examples of provisions that could and have affected the magnitude of the impact of such a change:

- \* Is a "clean" pre-employment physical required to be eligible for the presumption?
- \* Are specific types of cancers or conditions specified or are the cancers/conditions more general in nature?
- \* How many years of active service are required before becoming eligible?
- \* Are there limitations on ages for specific cancers?
- \* Is the prior use of tobacco considered in determining whether the presumption applies?
- \* Are there limitations on how long after active service employment the worker can still qualify for the presumption?
- \* Whether the presumption is expanded to cover volunteers or other first responders

It is important to note that these types of illnesses are latent in nature and therefore may take a number of years to manifest and be reported. In addition, NCCI typically only captures a portion of the data on first responder experience as these classifications are often self-insured by the municipalities. Hence, there is currently insufficient data reported to NCCI to estimate the actual impact of the firefighter presumption proposals enacted in recent years. We believe that where specific data is not available, we prefer to let the data flow into the system and be reflected in future rate filings.

Finally, we are reviewing HB 505 and will provide an analysis of it to you and the committee.

I hope this is beneficial, however please contact me if you have any questions.

Mike Taylor  
503-892-1858 - office  
503-789-2328 - mobile

-----Original Message-----  
From: Mike Taylor

Sent: Thursday, August 16, 2012 10:09 AM  
To: 'Chuck Hunter'  
Subject: RE: eligibility for firefighters

Chuck,

I am researching your question and hope to have something to you within a week or ten days. In the meantime, I have attached our recent white paper on volunteer firefighters. It primarily addresses coverage, however it does give you a flavor of how other states address volunteers.

I'll provide the presumptive coverage information as soon as possible and please let me know if you have any questions.

Mike Taylor  
503-892-1858 - office  
503-789-2328 - mobile

-----Original Message-----

From: Chuck Hunter [mailto:chunter717@bresnan.net]  
Sent: Wednesday, August 15, 2012 2:51 PM  
To: Mike Taylor  
Cc: Murdo, Patricia  
Subject: eligibility for firefighters

Mike: As we discussed over the phone today, I have been tasked by our Economic Affairs Interim Committee with contacting NCCI regarding presumptive eligibility for firefighters under our workers' compensation act. As you know, our committee received a request to support a bill for presumptive eligibility at our last meeting. Firefighters presenting the request stated their belief that among the many states that have already implemented presumptive eligibility provisions, none have seen a rate increase as a result of those provisions.

I wondered aloud if NCCI had ever been asked to do a study of the rate impacts of presumptive eligibility, and shortly thereafter, I agreed to write a note to you to ask that very question. Our committee would like to know if you have done any such studies, and if so, what your conclusions were.

During our conversation today, you mentioned that NCCI has written a white paper on the topic, and that you would be willing to send it to me. I look forward to receiving that paper, along with any specific answers to our question that you might provide.

It may also assist you to know that the proposal being offered by our Montana firefighters will take the same form as House Bill 505 from our 2011 legislative session. The bill text is available on our state legislative website and may be found at <http://data.opi.mt.gov/bills/2011/billpdf/HB0505.pdf>.

As you know, our next meeting is September 13th. If it is more convenient for you, you could send your response to our committee staff. Her contact information is: Pat Murdo, 406-444-3594, and pmurdo@mt.gov.

Mike, thank you so much for your assistance!

Sincerely,

Rep. Chuck Hunter

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