



STATE OF OKLAHOMA

**WORKERS' COMPENSATION COMMISSION**

M I N U T E S

of the

WORKERS' COMPENSATION COMMISSION

FOR THE STATE OF OKLAHOMA

for the

May 8, 2015

Regular Public Meeting

MINUTES OF THE MEETING OF THE WORKERS' COMPENSATION COMMISSION FOR THE STATE OF OKLAHOMA

NOTICE OF THIS MEETING WAS FILED WITH THE SECRETARY OF STATE ON APRIL 15, 2015.

The members of the Workers' Compensation Commission for the state of Oklahoma met at 1915 N. Stiles Ave., Oklahoma City, Oklahoma, on May 8, 2015.

Members present: Chairman Troy Wilson, Commissioner Denise Engle, and Commissioner Bob Gilliland.

Others in attendance on behalf of the Commission: Rick Farmer, Clif Cypert, Andrea Bair, Kim Bailey, Blair McMillin, Holly Miller and Tiffany Pratt.

Chairman Wilson expressed appreciation for those in attendance, including newly appointed Administrative Law Judge, Blair McMillin, and newly appointed Commissioner LeRoy Young, who will begin his official duties with the Commission on June 1, 2015. After the roll was taken, he announced the presence of a quorum and the Statement of Compliance with the Open Meetings Act was read. The meeting was called to order at approximately 1:30 p.m.

Approval of Minutes

Chairman Wilson presented the minutes of the April 9, 2015 public meeting for approval.

*Motion:* Chairman Wilson moved to approve the minutes of the April 9, 2015 public meeting.

*Second:* Commissioner Gilliland.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**1. Proposed Commission Approval of Group Self-Insurance Application for New Membership**

*Commission Rule 810:25-11-3 states a new membership to a self-insurance group may not become effective without Commission approval. All applications for membership are filed with the Commission. The application includes evidence of the execution of the indemnity agreement, power of attorney, and joint and several liability agreement, as required by 810:25-11-15, with signed approval of the applicant by the association, and is accompanied by a current balance sheet and income statement.*

Chairman Wilson recognized Andrea Bair, Deputy Director Insurance Services, to recommend that the Commission consider approval of the following applicants to the respective self-insurance group associations to which they are applying for membership:

**Oklahoma Automobile Dealers Self-Insurance Association (#75058)**

**Bartlesville Chrysler Dodge Jeep Ram, LLC**

**David Stanley of MWC, LLC**

Andrea Bair made the recommendation.

**Motion:** Commissioner Engle moved to approve the application of Bartlesville Chrysler Dodge Jeep Ram, LLC. for new membership to the Oklahoma Automobile Dealers Self-Insurance Association (#75058).

**Second:** Commissioner Gilliland.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**Motion:** Commissioner Gilliland moved to approve the application of David Stanley of MWC, LLC for new membership to the Oklahoma Automobile Dealers Self-Insurance Association (#75058).

**Second:** Commissioner Engle.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**2. Discussion and Consideration of Procedure for Determining Account Balances of Option Guaranty Funds for Assessments under Section 205(D)**

*A. Until the Insured Guaranty Fund under the Oklahoma Option contains Two Million Dollars (\$2,000,000.00) or if the amount in the fund falls below One Million Dollars (\$1,000,000.00), each insurer shall be assessed. The assessment is two percent (2%) of all gross direct premiums written during each quarter of the calendar year for insurance covering a benefit plan under this act after deducting from such gross direct premiums, return premiums, unabsorbed portions of any deposit premiums, policy dividends, safety refunds, savings and other similar returns paid or credited to policyholders. 85A O.S. § 205(D)(1).*

*B. Until the Self-insured Guaranty Fund under the Oklahoma Option contains One Million Dollars (\$1,000,000.00) or if the amount in the fund falls below Seven Hundred Fifty Thousand Dollars (\$750,000.00), each self-insurer shall be assessed a fee at the rate of one percent (1%) of the total compensation for permanent partial disability awards paid out during each quarter of the calendar year by the employers. 85A O.S. § 205(D)(2).*

*Therefore, the assessments are triggered when the fund balances fall below a specified amount, (a) Two Million Dollars (\$2,000,000.00) for the Insured Guaranty Fund, and (b) Seven Hundred Fifty Thousand Dollars (\$750,000.00) for the Self-insured Guaranty Fund. The Commission considered establishing the following procedure for determining the Option Guaranty Funds' account balances each quarter: Deputy, Insurance Services reports the account balance of each Option Fund to the Commission at a Commission meeting prior to the close of the quarter. The Commission determines if the balance has fallen below the amount that prompts the assessment. If the insureds or self-insureds are required to be assessed, each shall be assessed as provided in 85A O.S. Supp. 2013, § 205(D).*

Chairman Wilson recognized Kim Bailey, General Counsel to make a recommendation that the Commission consider approval of the procedure for determining the Option Guaranty Fund balances at a time closer to the quarter. Kim Bailey made the recommendation.

**Motion:** Commissioner Gilliland moved to approve the procedure for determining the necessity of an assessment after the Insurance Services Department reports the fund balances at a meeting prior to the close of the quarter.

**Second:** Commissioner Engle.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

### **3. Discussion and Determination of Account Balances of the Oklahoma Option Insured Guaranty Fund and the Oklahoma Option Self-insured Guaranty Fund**

*A. If the account balance prompts an assessment to be issued for the Option Insured Guaranty Fund, it shall be paid to the Insured Guaranty Fund, care of the Commission. Each insurer shall be assessed two percent (2%) of all gross direct premiums written during each quarter of the calendar year for insurance covering a benefit plan under this act after deducting from such gross direct premiums, return premiums, unabsorbed portions of any deposit premiums, policy dividends, safety refunds, savings and other similar returns paid or credited to policyholders.*

*B. If the account balance prompts an assessment to be issued for the Option Self-insured Guaranty Fund, it shall be paid to the Self-insured Guaranty Fund, care of the Commission. Each self-insurer shall be assessed a fee at the rate of one percent (1%) of the total compensation for permanent partial disability awards paid out during each quarter of the calendar year by the employers.*

Chairman Wilson recognized Andrea Bair, Deputy Director, Insurance Services to present a recommendation that the Commission consider approving an immediate assessment for the Option Insured Guaranty Fund and the Option Self-insured Guaranty Fund. Andrea Bair made the recommendation.

**Motion:** Commissioner Gilliland moved that with respect to the Self-Insured Guaranty Fund, the Commission recognize the balances were under statutory amount for the first quarter of 2015 and an assessment is required.

**Second:** Commissioner Engle.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**4. Discussion and Consideration of Proposed Contract between the Commission and the Self-insurance Guaranty Fund Board**

*Under 85A O.S. Supp. 2013, § 99 the Commission may contract with an appropriate state governmental entity, as approved by the Commission, for claims administration, including processing, investigating and paying valid claims against an impaired self-insurer with the monies from the released security. The Commission considered approving a proposed contract with the Self-insurance Guaranty Fund Board to administer all impaired self-insurer claims.*

Chairman Wilson recognized Kim Bailey, General Counsel, to present a recommendation that the Commission consider approving the contract with the Self-insurance Guaranty Fund Board. Kim Bailey made the recommendation.

**Motion:** Chairman Wilson moved to approve the contract with the Self-insurance Guaranty Fund Board.

**Second:** Commissioner Gilliland.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**5. Discussion and Consideration of Appointing a Presiding Appellate Officer for Issues on Claims filed under the Oklahoma Employee Injury Benefit Act (Option)**

*The Commission en banc hears appeals from an adverse benefit determination by the internal appeal process under the Option. With Option benefit plans being unfamiliar to many, there is confusion over procedures. Therefore the Commission recognizes the need for a Presiding Appellate Officer. The Presiding Appellate Officer or his designee will be authorized to handle routine appeal matters including, but not limited to the following: grant continuances, issue letters requesting information, issue notices of removal, and issue notices to parties regarding procedures. The Commission considered appointing Commissioner Gilliland as the Presiding Appellate Officer, due to his many years' experience as a trial attorney.*

Chairman Wilson recognized Commissioner Gilliland to present a recommendation that the Commission consider appointing a Presiding Appellate Officer for issues on claims filed under OEIBA (Option).

**Motion:** Chairman Wilson moved to appoint Commissioner Gilliland as Presiding Appellate Officer for Issue on Claims filed under OEIBA (Option).

**Second:** Commissioner Engle.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**6. Discussion and Consideration of Proposed Lease for Third Floor Office Space for FY-16**

*The Commission considered approving a proposed lease with the Office of Management and Enterprise Services (OMES) for the third floor office space in the Denver Davison Building for FY 2016 in the amount of \$82,515.96.*

Chairman Wilson recognized Executive Director Rick Farmer to present a recommendation to approve the lease with OMES for third floor office space in Denver Davison Building for FY 2016. Rick Farmer made the recommendation.

**Motion:** Chairman Wilson moved to approve the lease with OMES for third floor office space in Denver Davison Building for FY 2016.

**Second:** Commissioner Engle.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**7. Consent Agenda for Travel Vouchers Currently Outstanding**

*85A O.S. §23 states any commissioner or employee of the Commission shall be entitled to receive his or her necessary traveling expenses as provided in the State Travel Reimbursement Act. The expenses shall be certified by the person who incurred them and shall be allowed and paid on presentation of vouchers approved by the Commission. In accordance with this section, the Commission considered a vote to approve the currently outstanding vouchers.*

Chairman Wilson recognized Clif Cypert, Deputy Director, to present a recommendation to the Commission. The Consent Agenda for Travel Vouchers is labeled as Agenda Item 7 and included as a part of these minutes. Clif Cypert made the recommendation to approve the listed travel vouchers.

**Motion:** Commissioner Wilson moved to approve the vouchers listed in the Consent Agenda with the exception of Commissioner Gilliland's, listed as voucher 1480, which would be considered in a separate action.

**Second:** Commissioner Engle

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**Motion:** Chairman Wilson moved to approve the travel voucher for Commissioner Gilliland, listed as voucher 1480.

**Second:** Commissioner Engle.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

Abstention: Commissioner Gilliland.

The motion carried.

**8. Consent Agenda for Payments Made from the Workers' Compensation Fund Currently Outstanding**

*85A O.S. §22(A)(5) states that all expenditures in the administration of the act shall be allowed and paid from the Workers' Compensation Fund on the presentation of itemized vouchers approved by the Commission. In accordance with this section, the Commission considered a vote to approve the currently outstanding vouchers.*

Chairman Wilson recognized Clif Cypert, Deputy Director to present his recommendations to the Commission to approve payments made from Workers' Compensation Fund. The list of payments is labeled as Agenda Item 8 and is included as part of these minutes. Clif Cypert made the recommendation.

**Motion:** Chairman Wilson moved to approve all vouchers listed in Agenda Item 8.

**Second:** Commissioner Gilliland.

Those voting aye: Chairman Wilson, Commissioner Engle and Commissioner Gilliland.

The motion carried.

**2. Reports**

*The following reports were presented for informational purposes only. No action was taken.*

**A. Report from Andrea Bair, Deputy Insurance Services**

Andrea Bair reported on the individual own risk employer permits issued by the Insurance Division and provided an overview of the security required to be posted by those employers. The report is labeled as Agenda Item 9A and included as a part of these minutes.

**B. Report from Clif Cypert, Deputy Director**

Clif Cypert, Deputy Director presented the financial report for the Commission. The report is labeled as Agenda Item 9B and included as a part of these minutes.

**C. Report from Rick Farmer, Executive Director**

Executive Director, Rick Farmer reported on the Commission's 2014 and 2015 fiscal year budgets. The report is labeled as Agenda Item 9C and included as a part of these minutes.

Dr. Farmer also reported on the potential of utilizing Electronic Data Interchange (EDI) as the method of efficiently and accurately collecting required accident related data from trading partners via the International Association of Industrial Accident Boards and Commissions (IAIABC) Claims Release 3 EDI standard.

**D. Report from Commissioner Gilliland**

Commissioner Gilliland presented his report on the IAIABC 2015 Forum he attended on April 13-16, 2015. The report is labeled as Agenda Item 9D and included as a part of these minutes.

**E. Report from Commissioner Engle**

Commissioner Engle shared some comments about her time at the Commission and the new position she is assuming with Anthony-Gallagher at the end of the month. She thanked everyone for their efforts and commended the staff for successfully taking an idea, in a piece of legislation, and created a new organization. Commissioner Engle stated she is happy to stay in Oklahoma with the opportunity to work for a well-respected firm. She believes the newly appointed Commissioners are good choices and will benefit the agency. Commissioner Engle closed her remarks by stating she is grateful for the opportunity to have served the Commission.

**9. Executive Session**

*Pursuant to 25 O.S. § 307(B)(4), an Executive Session was proposed for the purpose of conducting confidential communications between the Commission and its attorneys concerning pending claim with Penloyd, LLC and F&M Bank & Trust Company; ongoing investigation by the Commission's Compliance Division involving A to Z Recycling LLC; and the ongoing investigation by the Commission's Compliance Division and the bankruptcy involving the Texoma Peanut Company, a former self-insured; and pursuant to Title 25 O.S. § 307(B)(1) for the purpose of discussing the hiring, salary or employment of the Candidate A, Candidate B, Candidate C, Candidate D and/or Candidate E for the position of Commission ALJ; and for the purpose of discussing employment evaluations, promotion, or performance of Commission's Administrative Law Judges: Shane Curtin, Mike Egan, Tara Inhofe and Tish Sommer.*

*The Commission's counsel from the Attorney General's Office advised that public disclosure of the communications relating to these investigations and bankruptcy would seriously impair the ability of the Commission and its counsel to take appropriate action related to the ongoing investigations and bankruptcy proceeding and to protect the employees of both businesses.*

**Motion:** Chairman Wilson moved to (i) determine that disclosure of the communications will seriously impair the ability of the Commission to take appropriate action in pending claim with Penloyd, LLC and F&M Bank & Trust Company; and the ongoing investigation and bankruptcy proceeding of Texoma Peanut Company; and (ii) Go into Executive Session for purposes of discussing the pending claim with Penloyd, LLC and F&M Bank & Trust Company; and ongoing investigation and bankruptcy of Texoma Peanut under §307(B)(4).

**Second:** Commissioner Gilliland

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**Vote to Reconvene in Open Session**

*Motion:* Commissioner Wilson moved to reconvene the public meeting in Open Session.

*Second:* Commissioner Gilliland.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

**Discussion and action from Executive Session**

*Motion:* Commissioner Gilliland moved to appoint Shane Curtin as Chief Administrative Law Judge at the salary discussed in executive session.

*Second:* Chairman Wilson.

Those voting aye: Commissioner Gilliland, and Chairman Wilson.

Those voting no: Commissioner Engle.

**The motion carried.**

**Announcement**

Chairman Wilson announced that the Commission's next regular meeting is scheduled for Thursday, June 18, 2015 at 1:30 p.m.

**Adjournment**

*Motion* to adjourn: Chairman Wilson.

*Second:* Commissioner Gilliland.

Those voting aye: Commissioner Engle, Commissioner Gilliland, and Chairman Wilson.

**The motion carried.**

The meeting was adjourned.

May-15

| <u>TRAVEL</u>    | <u>Invoice No.</u> | <u>Amount</u> | <u>Voucher No.</u> |
|------------------|--------------------|---------------|--------------------|
| Bryce Hill       | TRAVEL040215       | \$128.55      | 1467               |
| Patricia Sommer  | TRAVEL040815       | \$ 62.21      | 1468               |
| Michael Egan     | TRAVEL042215       | \$ 62.56      | 1469               |
| Rick Farmer      | TRAVEL041315       | \$ 687.89     | 1473               |
| Vicky Stewart    | TRAVEL041515       | \$ 61.96      | 1474               |
| Tara Inhofe      | TRAVEL040815       | \$ 63.90      | 1475               |
| Tara Inhofe      | TRAVEL041515       | \$ 63.95      | 1476               |
| Tara Inhofe      | TRAVEL042215       | \$ 64.45      | 1477               |
| T. Shane Curtin  | TRAVEL041515       | \$ 62.06      | 1478               |
| Robert Gilliland | TRAVEL041315       | \$750.82      | 1480               |



| Employee             | True Gross          | Excess Benefit    | FICA/Med           | State Ins. Adj. Ben. | State Retirement   | State Unemp.    | State Share Annuities | Total Payroll Cost  |
|----------------------|---------------------|-------------------|--------------------|----------------------|--------------------|-----------------|-----------------------|---------------------|
| Engle, Denise        | \$10,364.42         | \$0.00            | \$792.81           | \$1,542.66           | \$1,710.13         | \$0.00          | \$26.55               | \$14,436.57         |
| Farmer, Rick         | \$9,333.33          | \$179.46          | \$700.61           | \$1,133.29           | \$1,540.00         | \$0.00          | \$26.55               | \$12,913.24         |
| Giillard, Robert     | \$10,364.42         | \$34.66           | \$785.97           | \$1,278.09           | \$1,710.13         | \$0.00          | \$0.00                | \$14,173.27         |
| Wilson, Troy         | \$10,364.42         | \$51.34           | \$796.80           | \$1,261.41           | \$1,710.13         | \$0.00          | \$26.55               | \$14,210.65         |
| Curtin, Shane        | \$9,333.33          | \$0.00            | \$711.61           | \$1,677.96           | \$1,540.00         | \$0.00          | \$0.00                | \$13,262.90         |
| Egan, Michael        | \$9,333.33          | \$100.23          | \$721.67           | \$540.75             | \$1,540.00         | \$0.00          | \$0.00                | \$12,235.98         |
| Inhofe, Tara         | \$9,333.33          | \$33.12           | \$716.53           | \$837.77             | \$1,540.00         | \$0.00          | \$0.00                | \$12,460.75         |
| Sommer, Tish         | \$9,333.33          | \$104.63          | \$722.01           | \$536.35             | \$1,540.00         | \$0.00          | \$26.55               | \$12,262.87         |
| Cypert, Cliff        | \$6,833.33          | \$6.90            | \$515.64           | \$1,535.76           | \$1,127.50         | \$0.00          | \$26.55               | \$10,045.68         |
| Bair, Andrea         | \$6,666.67          | \$148.82          | \$513.74           | \$492.16             | \$1,100.00         | \$0.00          | \$26.55               | \$8,947.94          |
| Cannon, Jay MD       | \$7,500.00          | \$102.49          | \$581.60           | \$538.49             | \$1,237.50         | \$0.00          | \$0.00                | \$9,960.08          |
| Andrews, Ray         | \$5,666.67          | \$0.00            | \$411.68           | \$1,312.75           | \$935.00           | \$0.00          | \$0.00                | \$8,326.10          |
| Forshee, Virginia    | \$3,538.65          | \$73.51           | \$268.04           | \$932.68             | \$583.88           | \$0.00          | \$26.55               | \$5,423.31          |
| Christopher, Lindsey | \$5,166.67          | \$92.50           | \$388.89           | \$548.48             | \$852.50           | \$50.34         | \$0.00                | \$7,109.38          |
| O'Brien, Julie S     | \$3,750.00          | \$0.00            | \$282.21           | \$1,542.66           | \$618.75           | \$35.43         | \$0.00                | \$6,229.05          |
| Pratt, Tiffany       | \$3,333.00          | \$0.00            | \$246.94           | \$1,542.66           | \$550.00           | \$30.06         | \$26.55               | \$5,729.21          |
| Smith, Sharon        | \$2,916.67          | \$85.32           | \$229.65           | \$555.66             | \$481.25           | \$29.00         | \$26.55               | \$4,324.10          |
| Haidle, Lourdes P    | \$3,500.00          | \$73.23           | \$273.35           | \$797.66             | \$577.50           | \$34.51         | \$0.00                | \$5,266.25          |
| Esparza, Dana        | \$3,500.00          | \$0.00            | \$265.61           | \$1,006.19           | \$577.50           | \$33.38         | \$0.00                | \$5,382.68          |
| McRae, Norma         | \$4,333.33          | \$63.98           | \$320.46           | \$577.00             | \$715.00           | \$40.20         | \$26.55               | \$6,076.52          |
| Miller, Holly        | \$4,166.67          | \$105.19          | \$326.79           | \$901.00             | \$687.50           | \$41.26         | \$26.55               | \$6,254.96          |
| Mendoza, Juanita     | \$2,833.33          | \$72.07           | \$222.27           | \$798.82             | \$467.50           | \$27.95         | \$26.55               | \$4,448.49          |
| Rosstler, Valerie    | \$3,500.00          | \$98.70           | \$275.30           | \$542.28             | \$577.50           | \$34.76         | \$26.55               | \$5,055.09          |
| Fothergill, Kathryn  | \$3,500.00          | \$112.06          | \$276.33           | \$528.92             | \$577.50           | \$34.43         | \$26.55               | \$5,055.79          |
| Butler, Erin         | \$3,120.00          | \$150.00          | \$250.15           | \$0.00               | \$514.80           | \$31.61         | \$0.00                | \$4,066.56          |
| Allen, Teresa        | \$4,375.00          | \$80.96           | \$333.24           | \$560.02             | \$721.88           | \$41.85         | \$26.55               | \$6,139.50          |
| Durbin, Ann          | \$4,583.33          | \$0.00            | \$347.65           | \$1,006.19           | \$756.25           | \$38.61         | \$0.00                | \$6,732.03          |
| Russell, Eric        | \$4,375.00          | \$44.09           | \$388.05           | \$1,268.66           | \$721.88           | \$39.87         | \$0.00                | \$6,787.55          |
| Marlin, Renea        | \$3,500.00          | \$55.90           | \$272.02           | \$585.08             | \$577.50           | \$33.86         | \$26.55               | \$5,060.91          |
| Stewart, Vicky       | \$3,041.67          | \$42.09           | \$235.91           | \$1,270.66           | \$501.88           | \$29.77         | \$0.00                | \$5,121.98          |
| McMillin, Blair      | \$8,333.33          | \$0.00            | \$720.00           | \$1,297.75           | \$1,540.00         | \$17.91         | \$0.00                | \$11,908.99         |
| Cockrell, Leslie     | \$2,916.67          | \$0.00            | \$229.67           | \$555.00             | \$481.00           | \$29.00         | \$0.00                | \$4,211.34          |
| <b>Total</b>         | <b>\$182,709.90</b> | <b>\$1,911.25</b> | <b>\$14,083.20</b> | <b>\$29,504.81</b>   | <b>\$30,311.96</b> | <b>\$653.80</b> | <b>\$424.80</b>       | <b>\$259,599.72</b> |

Gross Salaries \$182,709.90  
Benefits & Retirement \$62,152.82  
OASDI, Medicare \$14,083.20

**Total \$258,945.92**

## Insurance Services Department Report

By Andrea Bair

May 8, 2015

The following Own Risk employers have completed their annual renewal since the Commission's last regular meeting:

ONEOK INC (OWN RISK #10607)

QUIKTRIP CORP (OWN RISK #15873) CITY OF STILLWATER (OWN RISK #11364)

CITY OF TULSA (OWN RISK #10435)

KNIGHT TRANSPORTATION INC (OWN RISK #19823)

MOORE PUBLIC SCHOOLS (OWN RISK #20127)

One was granted an extension, in compliance with Rule 810:5-9-1:

SHERWIN WILLIAMS CO (OWN RISK #15596)

### Additional Activities:

As reported last month, Oklahoma Option Insured Guaranty Fund Assessment under Title 85A O.S. 206(A) and Oklahoma Option Self-Insured Guaranty Fund Assessment under Title 85A O.S. 207(A) notices to Qualified Employers and Carriers were due date April 1. The assessment was 3% of either:

- A. Gross Direct Written Premium that would have been paid for Self-Insured Qualified Employers; or
- B. Gross Direct Written Premiums paid to a carrier for Insured Qualified Employers.

\$17,841.22 was collected on behalf of the Oklahoma Option Self-Insured Guaranty Fund. There are two Qualified Employers which we are seeking payment. Communication is ongoing and payments should be resolved early next week.

On behalf of the Oklahoma Option Insured Guaranty Fund, funds collected are \$0. We are working with the sole carrier with first dollar coverage issued, with the goal of accurate reporting and payment of the assessment. Communication is ongoing and will also be resolved next week.

701 Fund Report - April 2015

CC  
5/18  
2015

(Cathy)  
not that  
acct. will  
check to  
clarify

General Motors 701 Fund

| Business Unit         | Fund  | Department | Bud Ref | Claim #  | Vendor Name                             | Acctg Date | Amount      | Date      |
|-----------------------|-------|------------|---------|----------|---|------------|-------------|-----------|
| 86500                 | 70100 | 3500001    | 15      | 00001404 | SEDGWICK CLAIMS MANAGEMENT SERVICES INC | 4/8/2015   | \$9,868.30  | 4/1/2015  |
| 86500                 | 70100 | 3500001    | 15      | 00001405 | SEDGWICK CLAIMS MANAGEMENT SERVICES INC | 4/8/2015   | \$933.00    | 3/24/2015 |
| 86500                 | 70100 | 3500001    | 15      | 00001408 | MARK E DUVALL PLLC                      | 4/8/2015   | \$221.00    | 3/31/2015 |
| 86500                 | 70100 | 3500001    | 15      | 00001410 | CONSOLIDATED BENEFITS RESOURCES LLC     | 4/8/2015   | \$720.00    | 3/31/2015 |
| 86500                 | 70100 | 3500001    | 15      | 00001443 | MARK E DUVALL PLLC                      | 4/22/2015  | \$263.00    | 2/27/2015 |
| 86500                 | 70100 | 3500001    | 15      | 00001445 | SEDGWICK CLAIMS MANAGEMENT SERVICES INC | 4/22/2015  | \$8,054.37  | 4/16/2015 |
| General Motors Total: |       |            |         |          |   |            | \$20,059.67 |           |

Arrow Trucking 701 Fund

| Business Unit | Fund  | Department | Bud Ref | Claim #  | Vendor Name         | Acctg Date | Amount     | Date      |
|---------------|-------|------------|---------|----------|---------------------|------------|------------|-----------|
| 86500         | 70100 | 3600001    | 15      | 00001442 | JAMES EDWARD BLANEY | 4/22/2015  | \$1,639.73 | 4/16/2015 |
| Arrow Total:  |       |            |         |          |                     |            | \$1,639.73 |           |

Texoma Peanut 701 Fund

| Business Unit | Fund  | Department | Bud Ref | Claim #  | Vendor Name                        | Acctg Date | Amount     | Date      |
|---------------|-------|------------|---------|----------|------------------------------------|------------|------------|-----------|
| 86500         | 70100 | 4100001    | 15      | 00001406 | MIDLANDS CLAIMS ADMINISTRATORS INC | 4/8/2015   | \$948.63   | 3/31/2015 |
| 86500         | 70100 | 4100001    | 15      | 00001407 | MIDLANDS CLAIMS ADMINISTRATORS INC | 4/8/2015   | \$1,500.00 | 4/1/2015  |
| 86500         | 70100 | 4100001    | 15      | 00001409 | MIDLANDS CLAIMS ADMINISTRATORS INC | 4/8/2015   | \$1,304.88 | 4/7/2015  |
| 86500         | 70100 | 4100001    | 15      | 00001444 | MCAFFEE & TAFT                     | 4/22/2015  | \$2,377.00 | 3/18/2015 |
| 86500         | 70100 | 4100001    | 15      | 00001448 | MIDLANDS CLAIMS ADMINISTRATORS INC | 4/23/2015  | \$1,234.71 | 4/14/2015 |
| 86500         | 70100 | 4100001    | 15      | 00001450 | MIDLANDS CLAIMS ADMINISTRATORS INC | 4/24/2015  | \$1,079.19 | 4/21/2015 |
| Texoma Total: |       |            |         |          |                                    |            | \$8,444.41 |           |

April 2015 Total for All 701 Payments: \$30,143.81

|                 |       |              |    |                |         |              |
|-----------------|-------|--------------|----|----------------|---------|--------------|
| Beg Balance     | Arrow | \$449,269.83 | GM | \$5,590,202.48 | Texmoma | \$738,638.10 |
| Claims Paid     |       | \$1,639.73   |    | \$20,059.67    |         | \$8,444.41   |
| Ending Balance: |       | \$447,630.10 |    | \$5,570,142.81 |         | \$730,193.69 |

Agenda Item 9B  
(Attachment)

Table 19

FY 2014 Operating Budget Comparison by Department and Account

|   | Budget         | Expenses       | Encumbrances | Total Exp, Enc.,<br>Pre-Enc. | Annual<br>Variance |
|---|----------------|----------------|--------------|------------------------------|--------------------|
| <b>SALARY EXPENSE</b>                         |                |                |              |                              |                    |
| Salary Expense                                | \$1,154,116.00 | \$0.00         | -            | \$0.00                       | -                  |
| Salary - Regular Pay                          | -              | \$1,172,397.87 | -            | \$1,172,397.87               | -                  |
| Salary - Non-Regular Pay                      | -              | \$7,106.60     | -            | \$7,106.60                   | -                  |
| Longevity Pay                                 | -              | \$23,503.31    | -            | \$23,503.31                  | -                  |
| Terminal Leave                                | -              | \$24,958.73    | -            | \$24,958.73                  | -                  |
| Excess Benefit Allowance                      | -              | \$21,837.32    | -            | \$21,837.32                  | -                  |
| Salary Expense Subtotals                      | \$1,154,116.00 | \$1,249,803.83 | -            | \$1,249,803.83               | -\$95,687.83       |
| <b>INSURANCE PREMIUM</b>                      |                |                |              |                              |                    |
| Insurance Premium- Health, Life,<br>Etc.      | \$301,614.00   | \$0.00         | -            | \$0.00                       | -                  |
| Insurance Premium- Health Life<br>State Plan  | -              | \$215,218.42   | -            | \$215,218.42                 | -                  |
| Unemployment Compensation -<br>Payroll        | -              | \$8,174.04     | -            | \$8,174.04                   | -                  |
| Insurance Premium - Workers'<br>Compensation  | -              | \$27,882.00    | -            | \$27,882.00                  | -                  |
| Salary, Benefits, Payroll Subtotals           | \$301,614.00   | \$251,274.46   | -            | \$251,274.46                 | \$50,339.54        |
| <b>TAX &amp; RETIREMENT<br/>CONTRIBUTIONS</b> |                |                |              |                              |                    |
| FICA Retirement Contributions                 | \$278,720.00   | \$0.00         | -            | \$0.00                       | -                  |
| State Share - FICA                            | -              | \$67,029.80    | -            | \$67,029.80                  | -                  |
| State Share - MQFE/FICA                       | -              | \$15,676.33    | -            | \$15,676.33                  | -                  |
| State Share OPERS                             | -              | \$178,470.61   | -            | \$178,470.60                 | -                  |
| St. Match - Ad Fee- State Annuity             | -              | \$3,431.68     | -            | \$3,431.68                   | -                  |
| Tax & Retirement Contributions<br>Subtotal    | \$278,720.00   | \$264,608.42   | -            | \$264,608.41                 | \$14,111.58        |
| <b>PROFESSIONAL SERVICES</b>                  |                |                |              |                              |                    |
| Professional Services                         | \$75,000.00    | \$0.00         | -            | \$0.00                       | -                  |
| Offices of Lawyers                            | -              | \$278.80       | \$21.20      | \$300.00                     | -                  |
| Accounting, Tax, Books, Payroll<br>Services   | -              | \$9,036.25     | \$6,456.25   | \$15,492.50                  | -                  |
| Computer Systems Design Services              | -              | \$2,100.00     | \$8,400.00   | \$10,500.00                  | -                  |
| Other Computer Related Services               | -              | \$920.00       | \$1,380.00   | \$2,300.00                   | -                  |
| Admin Mgmt. - Gen. Mgmt<br>Consulting         | -              | \$41,127.00    | \$10,281.75  | \$51,408.75                  | -                  |
| Other Professional & Technical<br>Services    | -              | \$504.75       | \$2,000.00   | \$2,504.75                   | -\$2,504.75        |

**Table 19**

**FY 2014 Operating Budget Comparison by Department and Account**

**Continued...**

| <b>PROFESSIONAL SERVICES CONTINUED...</b>       |             |             |             |              |              |
|---|-------------|-------------|-------------|--------------|--------------|
| Employment Placement Services                   | -           | \$5,332.06  | \$799.40    | \$6,131.46   | -            |
| business Support Services                       | -           | \$352.16    | -           | \$352.16     | -            |
| Business Service Centers                        | -           | \$1,548.36  | \$4,274.60  | \$5,822.96   | -            |
| Investigation - Security Services               | -           | \$105.00    | \$1,875.34  | \$1,980.34   | -            |
| Professional Services Subtotals                 | \$75,000.00 | \$61,304.38 | \$35,488.54 | \$96,792.92  | -\$21,792.92 |
| <b>TRAVEL REIMBURSEMENTS</b>                    |             |             |             |              |              |
| Travel Reimbursements                           | \$60,000.00 | \$0.00      | -           | \$0.00       | -            |
| In-State Mileage- Motor Vehicle                 | -           | \$1,901.57  | -           | \$1,901.57   | -            |
| In-State Misc. Charges                          | -           | \$220.40    | -           | \$220.40     | -            |
| Out of State Mileage - Private Vehicle          | -           | \$17.92     | -           | \$17.92      | -            |
| Out-of-State Trans. Charges                     | -           | \$786.50    | -           | \$786.50     | -            |
| Out-of-State Meals - Subsistence                | -           | \$313.75    | -           | \$313.75     | -            |
| Out-of-State Local Trans.                       | -           | \$122.25    | -           | \$122.25     | -            |
| Out-of-State Misc. Charges                      | -           | \$56.99     | -           | \$56.99      | -            |
| Out-of-State Lodging                            | -           | \$1,192.52  | -           | \$1,192.52   | -            |
| Travel Reimbursement - Non-State Employees      | -           | \$929.04    | -           | \$929.04     | -            |
| Out-of-State Pur. Trans. Cost Agency Dir.       | -           | \$57.47     | \$442.53    | \$500.00     | -            |
| Travel Reimbursements Subtotals                 | \$60,000.00 | \$5,598.41  | \$442.53    | \$6,040.94   | \$53,959.06  |
| <b>INTER/INTRA AGENCY PMT - PERS. SERVICES</b>  |             |             |             |              |              |
| Inter/Intra Agency Pmt - Pers. Services         | \$1,500.00  | -           | -           | \$0.00       | -            |
| Flexible Benefits - Administration              | -           | \$616.17    | \$855.83    | \$1,472.00   | -            |
| Inter/Intra Agency PMT - Pers. Services         | \$1,500.00  | \$616.17    | \$855.83    | \$1,472.00   | \$28.00      |
| <b>MISCELLANEOUS ADMINISTRATIVE EXPENSES</b>    |             |             |             |              |              |
| Miscellaneous Administrative Expenses           | \$90,000.00 | -           | -           | \$0.00       | -            |
| Freight Expenses                                | -           | \$12,327.68 | \$2,371.84  | \$14,699.52  | -            |
| Postage   | -           | \$42,000.00 | \$36,000.00 | \$78,000.00  | -            |
| Telecommunication Services                      | -           | \$14,132.70 | \$31,458.50 | \$45,591.20  | -            |
| Printing & Binding Contrs                       | -           | \$4,245.00  | \$5,755.00  | \$10,000.00  | -            |
| Informational Service                           | -           | \$3,495.42  | \$4,046.37  | \$7,541.79   | -            |
| Bank Service Charges                            | -           | \$458.11    | -           | \$458.11     | -            |
| ERP System Services                             | -           | \$1,429.17  | \$952.78    | \$2,381.95   | -            |
| Licenses, Permits, etc.                         | -           | \$77.50     | -           | \$77.50      | -            |
| Membership in Organizations                     | -           | \$2,500.00  | -           | \$2,500.00   | -            |
| Prem-Property or Liab. Insur.                   | -           | -           | \$2,556.70  | \$2,556.70   | -            |
| Miscellaneous Administrative Expenses Subtotals | \$90,000.00 | \$80,665.58 | \$83,141.19 | \$163,806.77 | -\$73,806.77 |

**Table 19**

**FY 2014 Operating Budget Comparison by Department and Account**

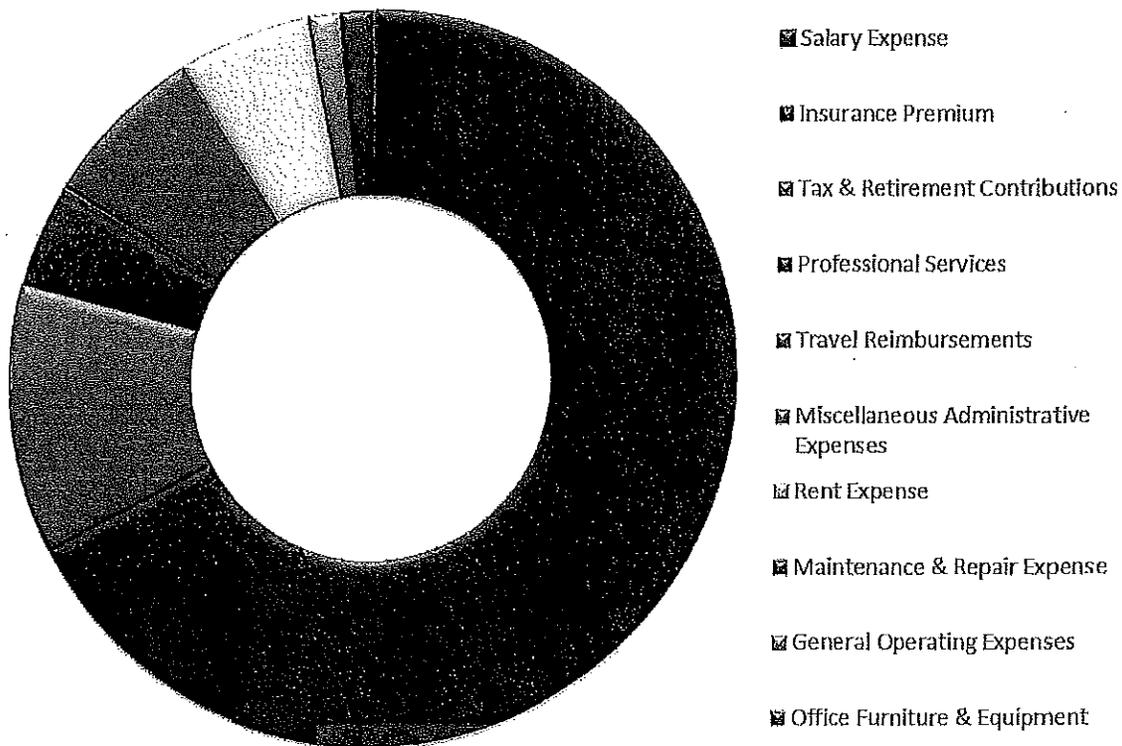
**Continued...**

| <b>RENT EXPENSE</b>   |              |             |             |              |              |
|---|--------------|-------------|-------------|--------------|--------------|
| Rent Expense  | \$100,000.00 | -           | -           | \$0.00       | -            |
| Rent of Office Space  | -            | \$66,088.30 | \$17,279.13 | \$83,367.43  | -            |
| Rent of Other Building Space                                    | -            | \$8,033.54  | \$8,014.46  | \$16,048.00  | -            |
| Rent - Equipment and Machinery                                  | -            | \$3,683.39  | \$6,157.56  | \$9,840.95   | -            |
| Rent - Electric Data Processing Equipment                       | -            | \$5,435.15  | \$14,637.67 | \$20,072.82  | -            |
| Rent Expense Subtotals  | \$100,000.00 | \$83,240.38 | \$46,088.82 | \$129,329.20 | -\$29,329.20 |
| <b>MAINTENANCE &amp; REPAIR EXPENSE</b>                         |              |             |             |              |              |
| Maintenance & Repair Expense                                    | \$50,000.00  | -           | -           | \$0.00       | -            |
| Maintenance & Repair - Buildings & Grounds - Outside Vendor     | -            | \$1,296.00  | \$564.00    | \$1,860.00   | -            |
| Maintenance and Repair - Equipment & Machinery - Outside Vendor | -            | \$700.00    | -           | \$700.00     | -            |
| Maintenance & repair Expense Subtotals                          | \$50,000.00  | \$1,996.00  | \$564.00    | \$2,560.00   | \$47,440.00  |
| <b>SPECIALIZED SUPPLIES &amp; MATERIALS EXPENSES</b>            |              |             |             |              |              |
| Specialized Supplies & Materials Expenses                       | 6000         | 87.62       | -           | 87.62        | 5912.38      |
| Specialized Supplies & Materials Expenses Subtotals             | 6000         | 87.62       | -           | 87.62        | 5912.38      |
| <b>GENERAL OPERATING EXPENSES</b>                               |              |             |             |              |              |
| General Operating Expenses                                      | \$25,000.00  | -           | -           | \$0.00       | -            |
| Office Supplies Non-Expendable                                  | -            | \$3,919.00  | \$3,740.00  | \$7,659.00   | -            |
| Office Supplies Expendable                                      | -            | \$17,347.25 | \$5,270.92  | \$22,618.17  | -            |
| Data Processing Supplies  | -            | \$29.10     | \$0.00      | \$29.10      | -            |
| General Operating Expenses Subtotals                            | \$25,000.00  | \$21,295.35 | \$9,010.92  | \$30,306.27  | -\$5,306.27  |
| <b>OFFICE FURNITURE &amp; EQUIPMENT</b>                         |              |             |             |              |              |
| Office Furniture & Equipment                                    | \$200,000.00 | -           | -           | \$0.00       | -            |
| Office Furniture & Equipment More than \$500                    | -            | \$29,680.66 | \$80.00     | \$29,760.66  | -            |
| Portal Software   | -            | \$839.34    | \$0.00      | \$839.34     | -            |
| Equipment & Furniture   | -            | \$0.00      | \$1,050.00  | \$1,050.00   | -            |
| Office Furniture & Equipment Subtotals                          | \$200,000.00 | \$30,520.00 | \$1,130.00  | \$31,650.00  | \$168,350.00 |

**Table 19**  
**FY 2014 Operating Budget Comparison by Department and Account**  
**Continued...**

| <b>LIBRARY EQUIPMENT &amp; RESOURCES</b> |                       |                       |                     |                              |                     |
|--|-----------------------|-----------------------|---------------------|------------------------------|---------------------|
| Library Equipment & Resources            | \$4,400.00            | -                     | -                   | \$0.00                       | -                   |
| Library Resources- Textbooks             | -                     | \$298.00              | \$100.00            | \$398.00                     | -                   |
| Library Equipment & Resources            | \$4,400.00            | \$298.00              | \$100.00            | \$398.00                     | -                   |
| AFP Encumbrances                         | -                     | -                     | \$3,238.66          | \$3,238.66                   | -                   |
| <b>TOTALS</b>                            | <b>\$2,346,350.00</b> | <b>\$2,051,308.60</b> | <b>\$180,060.49</b> | <b>\$2,231,369.09</b>        | <b>\$114,980.91</b> |
|  | Budget                | Expenses              | Encumbrances        | Total Exp., Enc., Pre Annual |                     |

**Figure 5**  
**FY 2014 Operating Budget Comparison by Department and Account**



Troy L. Wilson  
Chairman

Robert H. Gilliland  
Commissioner



Denise Engle  
Commissioner

Dr. Rick Farmer  
Executive Director

STATE OF OKLAHOMA

**WORKERS' COMPENSATION COMMISSION**

1915 N. STILES  
OKLAHOMA CITY, OKLAHOMA 73105-4918  
(405) 522-3222

MEMORANDUM

OFFICE OF THE COMMISSIONER

TO: Troy Wilson, Chairman  
Denise Engle, Commissioner  
Rick Farmer, Executive Director

FROM: Bob Gilliland, Commissioner

DATE: April 20, 2015

SUBJECT: Notes relating to the IAIABC Forum

The forum was held April 13, 2015 through April 16, 2015. Rick Farmer and I attended on behalf of the Commission.

On April 13, 2015 we attended a New Attendee Orientation presented by Dwight Lovan, the Commissioner of the Kentucky Department of Workers' Claims. He is the president of the IAIABC and heads the Executive Committee. He gave an overview of the Forum and Executive Committee as well as a snapshot of the presentations to be made during the Forum.

On April 14, 2015, I attended the Associate Member Council meeting. IAIABC updates were given, as well as a discussion of the annual meeting to be held in Chicago, Illinois in August. A roundtable discussion was held regarding EDI, legislative updates and judicial decisions. I gave a report on the status of the Oklahoma Workers' Compensation Commission. In the afternoon, there was a Commissioner and Associate Member Forum. Jurisdictional representatives gave updates on administrative initiatives and policy issues affecting their jurisdictions. Some private sector representatives made presentations and asked questions. Again, I updated our initiatives in Oklahoma and gave a status report of constitutional challenges facing our Commission.

Later in the day, representatives from Oregon, Minnesota, South Carolina, NIOSH, and NCCI discussed recent research and how it is being used to enforce, measure and improve the administration of Workers' Compensation.

On Wednesday morning, April 15, 2015, I attended the Medical Issues Forum and Committee Meeting. We discussed closed formularies, compound prescriptions and jurisdictional updates. I gave a report on Oklahoma's closed formulary statute and that the formulary was working well. It has reduced drug costs and hopefully, addiction to opioids. That afternoon, I attended the Disability Management and Return to Work Forum and Committee Meeting. The Committee discussed its first draft of "Return to Work: A Foundational Approach to Return to Function" paper.

I also networked with many attendees who will prove to be great resources to our Commission: Dwight Lovan, as mentioned above, is a Commissioner of the Kentucky Department of Workers' Claims; Abbie Hudgens, Tennessee Workers' Compensation Administration; Larry Karns, Director, Kansas Division of Workers' Compensation; and Ann Greene, General Counsel, North Dakota Workforce Safety and Insurance, among others. I also touched base with Kenneth Eichler of the Work Loss Data Institute.

After the Forum, I was asked to speak at the Southern Association of Workers' Compensation Administration in July. I am making plans to do so.