Johns-Manville

Internal Correspondence

To: W. B. Reitze 1-06

Date: February 23, 1978

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Subject: Workers' Compensation - Procedural Questions

I have some procedural questions and comments that have been raised by our excess carriers. I have listed them below; they are not in any particular order.

1. In Illinois, Waukegan no longer obtains the approval of the W/C Board prior to settling a claim. Jim Hoppe explained that this approval procedure was eliminated because it was not accomplishing anything positive. My concern is that without a formal approval of a settlement in our files, J-M's excess carriers might claim that the settlement was unnecessary or was too large. For this reason, I recommend that Waukegan begin to get approvals again, unless you have any serious objections.

2. At Waukegan, do we plan to move the "flagged" employees to the lowest possible exposure levels within the plant? Should the same policy apply to all plants?

3. In some states, it may be advantageous to encourage employees to file disease claims as soon as the disease is diagnosed because this will fix benefit levels to the lower benefit schedules existing at an earlier date. Is this approach now being taken in some states? It is my understanding that this is not a desirable approach to use in Illinois; do you agree with this interpretation?

4. I have attached one possible way of converting lump-sum settlements into lifetime annuities. This probably will not directly benefit J-M, but it may be desirable for the claimant. Some state W/C Boards may find it desirable to convert lump-sum payments into annuities. Do you think we should present this idea to some of the lawyers handling our W/C claims?

5. Whenever a "flagged" employee receives medical attention, we must determine if the health care is asbestos related. This is important because an excess insurance carrier can consider the date of injury for an asbestosis claim as the first date that medical care was received. If the medical care is related to asbestos, the Insurance Department should be notified. How can we best inform the plants of this?

Please give me a call if you have any questions or need clarification.

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