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FILED

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OFFICE OF
WORKER'S COMPENSATION JUDGE
HELENA, MONTANA

IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

ALEXIS RAUSCH, et al.,)	
)	
Petitioners,)	
)	
-vs-)	WCC No. 9907-8274R1
)	
MONTANA STATE FUND,)	
)	
Respondent/Insurer,)	FAIRMONT INSURANCE
)	COMPANY'S
-vs-)	ANSWER
)	TO SUMMONS
JEREMY RUHD,)	AND REQUEST FOR ADDITIONAL
)	TIME TO PROVIDE FURTHER
Petitioner,)	INFORMATION
)	
-vs-)	
)	
LIBERTY NORTHWEST INS. CORP.,)	
)	
Respondent/Insurer.)	

Fairmont Insurance Company responds through its attorney, Robert James, to the Summons dated January 10, 2005.

Fairmont Insurance Company ("Fairmont") is an insurance company incorporated in the state of California which wrote business in Montana, including workers compensation

coverage, for a limited period of time. Fairmont has no policies in force in the State of Montana at this time and the corporate entity involved in issuing the Montana workers compensation policies has been in run-off since December 2002.

Fairmont is presently unable to provide the information requested in the Court's Summons although it has undertaken steps to investigate and determine what information it can provide to the court to comply with the Summons.

Fairmont is unable to provide the information requested, in the time frame set forth by the court, for several reasons. First, Fairmont had identified approximately 277 workers compensation-related claims that were made against Fairmont policies dating back to July 11, 1989. The majority of these Montana claims are in a "closed status." The company has been consolidating its systems data and certain "claim level details" for claims which have been closed in excess of two years have been purged from the on-line claim system. The only method for obtaining many of the details requested in the Summons regarding the closed Fairmont claims will be to conduct a review of the physical claim files. The company is in the process of attempting to locate these files and determine what process can be used in order to review them.

Second, throughout the history of Fairmont's workers compensation business in Montana, the company did not maintain a resident claim office. Fairmont's Montana workers compensation claims were handled by a Third-Party Administrator (TPA). Fairmont has identified at least three different TPAs which handled its claims over a number of years. Because of the number of claims, and because of the use of three different TPAs, Fairmont will have to locate all of its files, many of which are in remote storage facilities. Further, it may be the case that many of the older files have been

destroyed due to the company's record retention policy. It is unknown, at this point in time, whether any files have been destroyed. Fairmont needs additional time to confirm the existence, and location of the claim files identified.

Based on Fairmont's preliminary analysis of financial data which is currently available on these claims, it does not appear that Fairmont has any Montana claims that would qualify as a permanent total disability claim. Again, additional time is needed to attempt to verify these preliminary conclusions.

Fairmont anticipates that it will take up to 180 days to locate and obtain the files, as set forth above, and complete the review to determine its response to the Summons issued by the Court. In the event that Fairmont is unable to locate the files, a further extension of time beyond these 180 days may be needed to continue to research archives for any available records regarding the Fairmont claims.

Therefore, Fairmont respectfully requests that the Court enter an order allowing them 180 days, to provide the information requested in the Summons or explain why it cannot be provided within that time frame.

DATED this 11 day of February, 2005.

UGRIN, ALEXANDER, ZADICK & HIGGINS, P.C.

By: Bob James

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