

STAVENJORD

Identification & Notification

April 26, 2007

Introduction

- MSF is here today to verify factually that it is not *impracticable or impossible* to properly identify and provide notice to potential Stavenjord II beneficiaries

- MSF does not agree with Stavenjord's suggestion that this proceeding should be step one.
 - MSF provided its reports and data explaining fully its identification process and plan of notification
 - The MSF report was analyzed and responded to by Stavenjord counsel
 - MSF is here to explain and answer any question the court may have

EXHIBIT

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- MSF asked for the pre-hearing conference so it could provide the Court with the information it wanted to see and hear
 - MSF discussed with a broad group (lawyers and claims experts) and developed this explanatory presentation
 - MSF will verify through the testimony of Cris McCoy and Bill Visser that it is not impossible or impracticable to identify Stavenjord II potential beneficiaries

- Cris and Bill are the designated internal contact persons on the Stavenjord project
 - Adjusters have been advised to contact them and refer claims to them
 - They oversaw our identification process and will do the same with the notification
 - They will be integral to any implementation efforts
 - They are present today to provide insight and detail to the identification and notification process
 - Dual testimony

 - They are available to answer any questions from the Court.
 - We request finalization of our presentation before any modified cross examination is allowed by Stavenjord's counsel.

Important Dates

- Applies to claims arising after June 30, 1987 and prior to May 23, 2001.

- Second Supreme Court decision denying common fund status 10-6-06

- Request for rehearing denied 11-9-06

MEDIA TYPES & EXAMPLES

- DB02
- CMS

DB02

DB02 was a disk operating system (DOS) maintained by the State of Montana, and was the initial system utilized by MSF beginning in 1983. Its primary function was data storage for MSF, the Division of Workers' Compensation, and the Department of Labor & Industry. Beginning June 1988, enhancements were made to provide some limited functionality such as indemnity and medical payments, reserving detail, and a limited note field. This system was ultimately retired by MSF in February 1997, and a copy of the database as it existed at the point of conversion, archived. Claim files and/or related claim activities during this period were maintained in hard copy folders. After closing and remaining inactive for a period of 3 years, hard copy files were purged and copied to microfiche for ultimate storage with the Records Retention Bureau.

368 CLATHART NAME SEARCH DETAIL

SLCT ACCT/INC:	0000	STAY ACC DATE	01 02/12/74	PART OF BODY	BACK/PELVI	CITY EAST HELENA	UNDER CONTR	HURNO YEL	CAR AIN	WRES
			03 11/14/88					999	999	999

ENTER-ENROLLM, PF1-NUM, PF2-P/P, PF3-INSUR CONTR, PF4-SERVO ENG, RSP-CON
 PF5-AID INCIDENT, PF14-NAME SELECT, PF15-NAME IDTRY, PF16-NAME MEMU,
 PF17-PLCY NAME, PF18-UPS INCIDENT, PF2-MAIN WRSU, CLEAR-LEAVE ADD

W1220 COMP RESERVE WORKSHEET RESERVED: 09/15/95 BY: AB2
 ACCIDENT: ST NAME: DOI: 05/26/92
 ZERO RESERVE BALANCE? N STATUS: 13 DISABILITY TYPE: 2 LAST PAY: 02/08/96
 AMW: 330.00 POST AMW: 0.00 IMPAIR RT: 0 RSRV PARTY: AB2 EXAM: AB2

BENEFITS	WEEKS	AT	RATE	=	RESERVE	AMOUNT PAID
TEMPORARY TOTAL:	36	X	220.00	=	7,920.00	7,920.00
TOTAL REHABILITATION:	0	X	220.00	=	0.00	
TEMPORARY PARTIAL:	0	X	0.00	=	0.00	
N Y/N PERM PARTIAL:	0	X	168.00	=	0.00	
AUXILIARY REHABILITATION:				=	0.00	
PERMANENT TOTAL:	550	X	220.00	=	121,000.00	3,811.78
PERMANENT ADVANCE:				=	0.00	
N Y/N FATALITY / OTHER:				=	0.00	
CLAIMANT LEGAL FEES:				=	0.00	
DWC DEFENSE FEES:				=	0.00	
OFFSETS- SOCIAL SECURITY:	601	X	9.85	=	5,919.85	
SUBROGATION:				=	0.00	
OCCUPATIONAL DISEASE:	550	X	110.00	=	60,500.00	
OVERPAYMENT:				=	0.00	0.00

RSRV REV DT: 11/15/95 WKSHT TOTALS = 62,500.15 11,731.78
 EXAM REV DT: BALANCE = 50,768.37
 ENTER-CALCULATE, PF2-RESTART WORKSHEET, PF12-SAVE REVIEW DT, PF16-RESERVE MEMU
 *ENTER WAGES, WEEKS, OR RESERVE AMOUNTS

Handwritten signature and initials:
 BW
 27-11

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R1230          MEDICAL RESERVE WORKSHEET UPDATE          RESERVED: 05/20/95 BY: RDC
ACCIDENT:          LAST NAME:          ACCIDENT DATE: 05/26/92
STATUS: 13  TYPE DISAB: 2  ZERO RSRV BAL: N  RSRV PARTY: AB2  EXAM: AB2
BENEFITS -
RESERVED          AMOUNT PAID
PHYSICIAN:          1,073.63          1,181.11  MCO ADMIN FEE RSRV:          0.00
HOSPITAL:          140.94          140.94          PAID:
PHYS REHAB:          650.00          650.00          MIRA RSRV BAL:          124,017.68
CHIRO:          0.00          PAID:
DENTIST:          0.00          OFFSETS -
OSTEOPATH:          0.00          SUBROGATION RSRV:          0.00
VOC REHAB:          1,243.40          1,243.40          PAID:
PANELS:          0.00
LTC FAC:          0.00          WKSHT TOTAL RSRV:          127,291.00
NURSE:          0.00          PAID:          3,380.80
DRUGS:          15.35          15.35          BALANCE:          123,910.20
AMBULANCE:          0.00          INDEMNITY RSRV:          62,500.15
PSYCHOLOGIST:          0.00          CASE TOTAL RSRV:          189,791.15
PROSTHESIS:          0.00
MED SUPPLY:          0.00          RSRV RVW DT:          11/15/95
CLAIMANT:          0.00          EXAM RVW DT:
MISC:          150.00          150.00
MORTICIAN:          0.00
ENTER=CALCULATE, PF2=RESTART WORKSHEET, PF12=SAVE REVIEW DT, PF16=RESERVE MENU
ENTER RESERVE AMOUNTS
    
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CMS

- CMS (Claims Management System) was brought on line February 3, 1997 as MSF's primary electronic 'file' for adjusting compensation claims, and recording relevant adjusting activities and details. It was developed by IBM as Oracle based, windows driven technology, which was considered 'cutting edge' at the time. As an adjunct to CMS, MSF also developed a work management system (WMS), and adopted an optical imaging system, and no longer maintained paper or hard copy files.
- CMS was custom designed and developed specifically for MSF and this jurisdiction. While enhanced reporting capabilities, compared to DB02 were included in the design phase, its primary function was to enhance staff claim management, make work flows more efficient, and, ultimately, to better serve our customer base.

Claim - Summary

Claim
 Claim Number: [redacted] Status: Accepted-Closed
 Type: wage loss Status Reason: Return to Work MMI
 Injury Date: 08/12/1997 Major Part of Body: WRIST
 Adjuster Name: Boland, Ann Adjuster Phone: (406) 444-9306

Claimant
 Name: [redacted] In House Indicator: [redacted]
 Birth Date: [redacted] SSN: [redacted]
 Mailing Address: [redacted]
 Phone: [redacted] Alternate Phone: [redacted] Mobile Phone: [redacted]
 E-mail Address: [redacted]

Employer
 DBA name: [redacted] Policy Number: 031396548
 Major Industry: [redacted]
 Mailing Address: [redacted]
 Phone: [redacted] Alternate Phone: [redacted] Mobile Phone: [redacted]
 E-mail Address: [redacted]
 Agent Name: [redacted] Agent Phone: [redacted]
 Master Agency Name: [redacted]

Legal Representation

Type	Name	Phone	Effective

Claim - Status

Status

Milestones
 Open: 04/01/1998 Closed: 05/26/1999 Re-open: [redacted]

Current
 Status: Accepted-Closed Date: 05/26/1999
 Reason: Return to Work MMI By: Jones, Todd
 Comment: [redacted]

Control
 Do not close Do not archive Do not refer to Rehab In House Indicator

Type
 Claim Type
 Medical Only
 Wage Loss

Classification Type
 Injury
 Disease
 SIF Claim
 E. L. Claim

Important Dates
 DOI: 08/12/1997 Last Worked: 00/00/0000
 RTW: 07/06/1998 Last Med DOS: 10/27/1999
 MMI: 05/18/1999 Target RTW: 00/00/0000

Catastrophe
 Date Created Type

Claim - Wages and Rates

Pay Period Summary

Paid Date	Period Frequency	Actual Total Amt	Adjusted Rate	Regular Rate	Overtime Rate	Rate Unit
06/15/1997	semi-monthly	\$320.11	\$320.11	\$5.15		hour
06/30/1997	semi-monthly	\$440.00	\$440.00	\$5.15		hour
07/15/1997	semi-monthly	\$401.25	\$401.25	\$5.15		hour

Pay Period Detail Breakdown

Type of Wages	Detail Amount	Adjusted Amount
regular	\$320.11	\$320.11

Pay Period Detail Comment
OD CLAIM APPORTIONED AT 50%,
COMP RATE SHOULD BE \$62.67

Rate Factors

AWW

Calculated: \$188.01

Override:

Override Comments:

Total Rate: \$125.34 Partial Rate: \$125.34

Buttons:

ID	Date	Pay Type	Tran Type	Status	Exp Code	Amount
Detail Type	Effective Dates	Weeks	Subtype			
1251893	07/03/1998	indemnity	payment	processed		\$0.00
payment			temporary total		41	(\$35.81)
	06/24/1998 to 07/07/1998	2				
payment			temporary total		41	\$125.34
	06/24/1998 to 07/07/1998	2				
reverse			temporary total		41	(\$125.34)
	06/24/1998 to 07/07/1998	2				
overpayment			temporary total		41	\$35.81
	06/24/1998 to 07/07/1998	2				
1231310	07/03/1998	indemnity	payment	Dead		\$125.34
payment			temporary total		41	\$125.34
	06/24/1998 to 07/07/1998	2				
1228248	06/19/1998	indemnity	payment	processed		\$125.34
payment			temporary total		41	\$125.34
	06/10/1998 to 06/23/1998	2				
1225010	06/05/1998	indemnity	payment	processed		\$125.34
payment			temporary total		41	\$125.34
	05/27/1998 to 06/03/1998	2				
1222025	05/22/1998	indemnity	payment	processed		\$62.67
payment			temporary total		41	\$62.67
	05/20/1998 to 05/26/1998	1				

Number of Transactions Displayed: 6

Claim - Injury

Injury Date/Catastrophe No. Injury Location
 Injury Date: 08/12/1997 00:00:00 Catastrophe No.: County: Park
 Shift Begin: 00/00/0000 00:00:00 Hours Into Shift: Dept. of Occur:

Part of Body	Description	Location	Eff Date	Primary	New...	More
WRIST		bilateral	08/12/1997	<input checked="" type="checkbox"/>		

Accident Description
 Developed carpal tunnel chopping food

Injury Statistics
 NDI: NERVOUS SYSTEM CONDITIC DISEASES OF THE NERVES AND PERIPHERAL GANGLIA (CARPI
 Source: BODILY MOTION BODILY MOTION
 Type: BODILY REACTION BODILY REACTION
 ADS:

Hazardous Cond: NO HAZARDOUS COND
 Disability Case: Case does not involve disability, no loss of work time Injured on Employer's Premises:
 Bypass Code: Injured While In Employment:

Other Statistics

Coverage Major Industry: EATING PLACES Employment Occupation: MISC FOOD PREPARATION Length of Employment Years: 2 Months: 7 Days: 11	Wages Weekly Wage: \$188.00 Claimant Marital Status: Married Accident Age: 41
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COMPUTER SYSTEMS & SEARCHES

INITIAL SEARCH

- As explained in paragraphs 26-30 of the Joint Statement of Stipulated Facts
 - Initial computer run identified 2,939 claims meeting the established criteria for potential Stavenjord claims
 - ✓ 378 claims were identified as settled

Identification Process:

- An initial data run to identify claims potentially affected by Stavenjord was completed 01/24/04, using the following data fields:
- Claim class type code = 'od';
- NOI code = 990 or 562;
- Source of injury = 400;
- TTD or PTD benefits paid, but no PPD;
- Benefit type code = 'od';
- Date of injury \geq 07/01/87;
- Any claim with the word 'repetitive' in the description of accident field on FROI;
- This data run returned 3,099 claims meeting the above criteria.

INITIAL SEARCH (CONT.)

- A second independent computer run identified 18 claims in injury status with benefit transactions coded as ODs
 - Internal actuary identified 586 claims coded as injuries with indicators suggestive of ODs
 - Total claims identified for review – 3,543
- To be subsequently refined by electronic and manual review