

First Responder Presumed Coverage Fund

Pursuant to Public Act 317 of 1969, as amended,
Section 405(8)(a)(b)(c) and (10)(a)(b)

Calendar Year 2017

Prepared by
Workers' Compensation Agency
Mark C. Long, Director
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Shelly Edgerton, Director

The Workers' Compensation Agency (WCA) is pleased to present the 2017 annual report of the First Responder Presumed Coverage Fund (FRPCF).

This report is prepared in accordance with MCL 418.405(8) of the Workers' Disability Compensation Act, Act 317 of the Public Acts of 1969, as amended, and is submitted for your review.

The FRPCF was created pursuant to Public Act 515 of 2014 and was established to provide weekly workers' compensation wage loss and medical benefits to qualified first responders that have developed certain cancers. The FRPCF covers only first responders that have been employed full-time for 60 months or longer with a full-time fire authority at the time the cancer manifests itself and is exposed to the hazards incidental to fire suppression, rescue, or emergency medical services in the performance of necessary job duties. If true, the cancers are presumed to arise out of and in the course of their employment with respect to the claim only against the FRPCF. The statutory presumption may be rebutted by scientific evidence that the first responder was a substantial and consistent user of cigarettes or other tobacco products within the 10 years immediately preceding the date of injury, and that this use was a significant factor in the cause, aggravation, or progression of the cancer.

All claims are administered through a contract with York Risk Services and if a dispute should arise the FRPCF is represented by the Attorney General. For the period of January 1, 2017 through December 31, 2017, the FRPCF received a total of 10 applications; 6 of the applications were approved and 4 were denied. We are presently paying wage loss and medical benefits on 14 claims.

During this reporting period, a total of \$309,698.58 was expended for claims and administration expenses. See the following breakdown:

❖ Indemnity:	51,676.63
❖ Medical:	133,369.34
❖ Loss Adjustment Expense:	<u>11,305.61</u>
	\$196,351.58
❖ Claims Administrator:	7,890.00
❖ Staff costs:	<u>105,457.00</u>
	\$113,347.00

Total Expenses \$309,698.58

The anticipated expenditures for claims expenses in next fiscal year is \$350,000.00. In addition, we will incur administrative costs for staff and we anticipate additional vendor payments to administer each claim. We are allocating 1.5 FTE's for agency support.

Based on our current fund base of \$2,300,651.00 on December 31, 2017, and the FY18 proposed appropriation, the FRPCF does not anticipate a funding shortfall this year.

Thank you for the taking the time to review this report.