

From a purely **rational** perspective I believe it has been adequately shown that there **are** flaws in the ways that Pinnacol carries out its charter. As a quasi governmental agency, Pinnacol should be held to the highest standards possible. Having said that I think most of the bills presented here today should apply to the industry as a whole. It should be unacceptable for **any** workers comp provider to deny claims based on profit.. The very **concept** of providing employee bonuses based on **net** income is a prescription for abuse. It provides financial incentive to deny the very services they purport to offer. As such that practice **must** be abolished.

I have seen it stated that these bonuses are necessary to increase employee moral. In a national survey, published only last week, it was shown that the single greatest influence on job satisfaction was the perception of employees that they had the ability to provide a needed service in a meaningful way. Pay and benefits came in second. Were I employed in a position that allowed me to provide needed medical services to an injured person, I can honestly say that I would find that job description fulfilling enough. Additional financial incentives should not be necessary. That would certainly NOT be the case if I had reason to believe that I was denying benefits based on profit. The decision to grant or deny benefits should be determined by the merits of each individual case. **Not** by the promise of bonus money.

I was reluctant to comment on the bill regarding reversionary interest, I will confess that as a lay member of the public I had to look up the definition of that term. Even after having done so it required further inquiries to determine how this applied to Pinnacol. I am surprised I have not seen this issue brought forward in the media. I can only surmise that **they** are as confounded by the legal terminology as I was. Reversionary interest. Such a civilized term for such an uncivilized practice. ~~Denying widows and children the benefits they were entitled to is a reprehensible act and the people who have carried out this practice should be shamed.~~

To the bills presented in regards to privacy. Having been a claimant, I have absolutely no idea what films exist in some arcane archive that Pinnacol has taken of me and my family. **There is not a person in this room that would invite such a blatant invasion of their own personal privacy**, yet Pinnacol has apparently done this to **thousands** of workers at an expense of \$4.7 million dollars, with a mere 10 convictions of fraud to show for it. This, to me, more than anything else, shows the ~~absolute~~ ^{apparent} disdain the management of Pinnacol Assurance holds for the working men and women of Colorado. The **very** people Pinnacol was created to protect.

If these privacy proposals are not acted upon, it will be telling the people of Colorado that criminals have more rights in this state then workers do. A criminal investigation requires a warrant for such an invasive act, Pinnacol doesn't even need cause.

I debated long and hard before deciding to come to this meeting in person. I must say I have reservations about whether a single voice can make ^{any} difference.

I do not enjoy being here, I wish I could've avoided it. I **feel** compelled to do whatever I can, to see that **others** may be spared what I have been through.

I will attempt to keep my comments brief and to the point. That is **not** to say that other items on the agenda are not **at least** as deserving of comment. I just don't want to say **too** much. Having been both business owner and claimant gives me a somewhat **different** perspective than most.

Up until now I have personally had no interest in politics or matters of law. My **experiences** with claim procedures at Pinnacol initiated my interest, and I have followed news of these committee activities when I could find it.

I have read **several** articles that indicate there are **those** that feel that this Committee is nothing more than a "witch hunt". That some of its members are motivated by a **thirst** for retaliation. I cannot speak to that. No one can know the true motivation of another. Especially when money is involved. That can be said for **both** sides of this discussion. **Motivation** should not be the issue. You **should** instead let **facts**, revealed by research and investigation, determine what actions should be taken, **not** the interest or motivations of any individual on either side.

Some have stated their belief in the old adage "If it ain't broke don't fix it". To those people I would ask, on what basis do you hold that belief? Unless you personally have gone through the process of making a major claim, **you** can only rely on hearsay for that opinion.

I have read the statement that 80% of Pinnacols customers are happy with them. Frankly I'm surprised the number is that low. That would imply that up to 20% ^{of} policy holders are unhappy with them. The actual percentage of people with insurance who have made major claims is much, much lower. Insurance is the only business model I can think of where the **happiest** customers are the ones who have never **used** the services they contracted for.

I have read that Pinnacol is being singled out for being successful. That it should not be punished for **acquiring** assets as a result of it's business acumen. That observation can only hold true if the gains acquired were brought about by legitimate means. I.E. hard work, or savings by innovation. That statement completely **discounts** the possibility that the **simplest** way of increasing revenue for an insurance company is to limit pay out. It is not my intent to offend anyone here, but if the goal of the state of Colorado was simply for Pinnacol to make as much money as possible then **that** would **seem** to imply that the ends justify the means. A dubious prospect at best. The **stated** purpose of Pinnacol Assurance is to provide workers the compensation they require for injuries obtained on the job. That **should** be their primary function.

Again, from a strictly **rational** point of view. To spend \$4.7 million dollars to convict 10 individuals of insurance fraud could hardly be considered cost effective. Where is the return on investment? How many claims could have been ~~handled~~^{paid} for that amount of money? If **this** data is accurate it is obvious, to me at least, that employee fraud is not **nearly** the issue that Pinnacol would have business owners, and members of the public, believe it to be. If you are **looking** for a "witch hunt" **This** is it.

I have a request of everyone in this room. I want you to **honestly** ask your selves "how would I feel?" How would **you** feel if you knew that your family and private life had been subjected to video scrutiny for no cause?

How would you **feel** if you discovered that **your** benefits had been denied or curtailed so that some Pinnacol employee could earn a bonus? Can you ask yourself that? Honestly?

In closing I would like to say that I consider this Committee Study to be a much needed step in the right direction. There are other issues that were raised during the investigative phase that should also be addressed, perhaps another time.

I thank you for this opportunity for input into the process. I can only **hope** it will result in needed change.

Thank you.