



HOUSE LEGISLATIVE OVERSIGHT COMMITTEE

**2022 STUDY OF THE
STATE ACCIDENT FUND**

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S.C. House Legislative Oversight Committee



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The purpose of the S.C. House Legislative Oversight Committee's (Committee) work is to determine if agency laws and programs are implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed, or eliminated. The Committee's member-driven process enhances the ability of Representatives to make informed decisions about state government and agency responsiveness to the needs of South Carolinians. The process is also a resource for public access to information about the performance of state agencies and their programs.

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RECOMMENDATION #18. Post agency process flow charts (e.g., receipt of claims, etc.) online.26

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RECOMMENDATION #20. Post contact information for the South Carolina Office of Inspector General, conspicuously on the agency’s website, to provide a way for the public to report fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing specific to State Accident Fund.....27

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AGENCY OVERVIEW

State Accident Fund

History

- 1943 - The State Workers' Compensation Fund created as a division of the South Carolina Industrial Commission.
- 1974 - The State Workers' Compensation Fund established as a separate agency.
- 1982 - The State Workers' Compensation Insolvency Fund established within the State Workers' Compensation Fund.
- 1993 - The State Workers' Compensation Fund name is changed to the State Accident Fund.
- 2013 - the South Carolina Workers' Compensation Uninsured Employers' Fund was established within the State Accident Fund.

Agency Mission

Providing cost-effective, guaranteed workers' compensation insurance for state agencies and other governmental entities along with exceptional service to our state workers.

Successes

Identified by the agency

- Improving the workplace by adding new positions and hiring more personnel
- Providing advancement opportunities by revamping its working organization
- Minimizing case expenses with new settlement and mediation processes
- Producing better rates with new Actuaries

Organizational Units

MANAGEMENT SUPPORT

- Focuses on the overall operations and high-level decisions that go into running the agency

BUSINESS SUPPORT

- Includes Accounting, Human Resources, and Records Management

CLAIMS

- Receiving and processing all workers' compensation claims from covered policyholders

LEGAL

- Provides legal advice and representation

POLICYHOLDER SERVICES

- Compiles and analyzes data to establish premiums

SPECIAL INVESTIGATIONS UNIT

- Performs investigations and provides investigative support

INFORMATION TECHNOLOGY

- Supports all critical business applications

UNINSURED EMPLOYERS' FUND

- Ensures payment of workers' compensation benefits to injured employees with underinsured employers

INFORMATION TECHNOLOGY

- Supports all critical business applications

MILITARY DISABILITY PROGRAM

- Provides settlements for National Guard members permanently disabled during the October 2015 weather event

Resources (FY 21-22)

Authorized FTEs
88
all types at the start of the fiscal year

Funding
\$10,811,063
appropriated and authorized

Challenges

Identified by the agency

Current:

- Replacing the current case management system
- Moving to a new office location
- Competition from other workers' compensation insurers
- Delays in procurement processes

Emerging:

- Increased claims costs and premiums resulting from proposed House Bills 4147 & 4777
- Staff retention
- Cyber security and insurance technology changes
- Legalization of medical marijuana

Figure 1. Overview of the agency's history, mission, organizational units, fiscal year 2021-22 resources (employees and funding), successes, and challenges.¹

COMMITTEE OVERVIEW

Oversight Purpose and Methods

PURPOSE

To determine if agency laws and programs:

- ➡ are being implemented and carried out in accordance with the intent of the General Assembly; and
- ➡ should be continued, curtailed, or eliminated.

METHODS

The Committee and Subcommittee evaluate:

- ➡ the application, administration, execution, and effectiveness of the agency’s laws and programs;
- ➡ the organization and operation of the agency; and
- ➡ any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.

S.C. Code Ann. § 2-2-20(B) and (C)

Study Process



Public Input

- 16** Responses to an online public survey
- 1** Constituent testifies

Subcommittee Membership

HEALTHCARE AND REGULATORY SUBCOMMITTEE

The Honorable John Taliaferro “Jay” West, IV (chair)
The Honorable Rosalyn D. Henderson-Myers

The Honorable Timothy A. “Tim” McGinnis
The Honorable Gil Gatch

Study Milestones

MEETINGS

Full Committee 12.09.2019 08.09.2022
 04.09.2021

Subcommittee
 10.14.2021
 11.17.2021
 3.31.2022
 5.11.2022

AGENCY REPORTS

March 2015	Seven-Year Plan Report
March 2020	Program Evaluation Report
September 2020	FY 2019-20 Accountability Report
September 2021	FY 2020-21 Accountability Report

FINDING

The House Legislative Oversight Committee’s (Committee) Healthcare and Regulatory Subcommittee (Subcommittee) reviewed the State Accident Fund (agency or SAF). The Committee approved the Subcommittee’s report on August 9, 2022.

The Committee makes **one finding pertaining to insurance regulations**. A summary of the finding is in Table 1. The Committee addresses this finding in two recommendations. A finding notes information a member of the public, or General Assembly, may seek to know or about which they may desire to act.

Insurance Regulation

Table 1. Summary of finding

REGULATORY CONFORMITY	<p>1. State Accident Fund employees are not regulated by the Department of Insurance (DOI). While State Accident Fund employees do not offer workers’ compensation insurance in the private marketplace, they are statutorily required to offer insurance to state and local government entities. Additionally, SAF local counterparts (i.e., South Carolina Association of Counties; Municipal Association of South Carolina; and South Carolina School Board Insurance Trust), who also sell workers’ compensation insurance to local government entities, are also exempt from DOI licensure and regulatory requirements.^{SEE RECOMMENDATIONS #5 AND #20}</p>
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FINDING #1. State Accident Fund employees are not regulated by the Department of Insurance (DOI). While State Accident Fund employees do not offer workers’ compensation insurance in the private marketplace, they are statutorily required to offer insurance to state and local government entities. Additionally, SAF local counterparts (i.e., South Carolina Association of Counties; Municipal Association of South Carolina; and South Carolina School Board Insurance Trust), who also sell workers’ compensation insurance to local government entities, are also exempt from DOI licensure and regulatory requirements.

Created 75 years ago, the State Accident Fund provides workers’ compensation insurance for state agencies; local governments (e.g., counties, municipalities, etc.) have the option to select SAF as their workers’ compensation insurer.² So long as proper payment is made, SAF cannot refuse coverage to eligible entities identified in state statute (i.e., state agencies and local governments).³

Unlike some other organizations that sell insurance, the State Accident Fund is not regulated by the Department of Insurance.⁴ SAF is governed by provisions in Title 42 (Workers’ Compensation), Chapter 7 (Funds) of the South Carolina Code of Laws.⁵ Per agency personnel testimony, there is no statutory requirement for SAF’s adjusters to be licensed by the Department of Insurance.⁶ However, SAF policy requires claim adjusters to pass an exam (i.e., Series 19-25 South Carolina Workers’ Compensation Insurance Adjuster exam or the Series 19-

11 South Carolina Property, Casualty, Surety, and Marine Adjuster exam) within their first year working as an adjuster and obtain licensure through the Department of Insurance.⁷

Notably, organizations identified as local counterparts to SAF (i.e., South Carolina Association of Counties; Municipal Association of South Carolina; and South Carolina School Board Insurance Trust), are not regulated by the Department of Insurance.⁸ Like SAF, these local counterparts offer workers' compensation insurance to various local governmental entities (i.e., their respective member organizations).⁹

During the study, constituent testimony described SAF's ability to compete for local government business as competition against private industry.¹⁰ Additionally, the constituent raised concerns about disparate regulatory practices for private insurers (e.g., SAF is not subject to Department of Insurance regulations or licensure requirements).¹¹

Recommendation #5 and #20 address this finding.

RECOMMENDATIONS

The Committee directs **20 recommendations to the State Accident Fund**.

With any study, the Committee recognizes **these recommendations (e.g., continue, curtail, improve areas potentially, and/or eliminate agency programs, etc.) will not satisfy everyone nor address every issue or potential area of improvement at the agency.** These recommendations are based on the agency’s self-analysis requested by the Committee, discussions with agency personnel during multiple meetings, and analysis of the information obtained by the Committee. This information, including, but not limited to, the Program Evaluation Report, Accountability Report, Restructuring Report, and videos of meetings with agency personnel, is available on the Committee’s website.

Recommendation to the General Assembly

The Committee makes one recommendation to the General Assembly related to effectiveness, and a summary is in Table 2.

Table 2. Summary of effectiveness recommendation

EFFECTIVENESS	1. Grant agency leadership flexibility to allocate funds to pay adjuster license fees.
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RECOMMENDATION #1. Grant agency leadership flexibility to allocate funds to pay adjuster license fees.

During the study, competition for skilled workers was cited as a contributor to the agency’s turnover rate.¹² Employee morale and policyholder satisfaction both have been affected by SAF’s turnover rate, especially adjuster positions.¹³ Ensuring these positions are fully staffed provides continuity for policyholders that usually work with an assigned, specific adjuster.¹⁴ Constant turnover can diminish institutional knowledge and counter efforts to retain policyholders.

According to agency staff, SAF is at a competitive and strategic disadvantage with employee retention and recruitment due to the agency’s inability to compete with private sector compensation and incentive packages.¹⁵ Seeking to improve employee morale, retention, and recruitment, SAF personnel sought clarification from the Comptroller General’s Office as to whether agency funds could be used to cover the cost of license renewal fees¹⁶.

The Comptroller General’s Office staff referred SAF staff to the State of South Carolina Statewide Disbursement Regulations.¹⁷ Per this document, “No payment will be allowed for professional licenses or dues required by state regulatory agencies.”¹⁸ However, SAF is a statutory fund and not a Department of Insurance licensed insurer, which creates ambiguity regarding whether the agency can pay licensure fees for adjusters.¹⁹ As discussed in Finding 1,

agency policy, not state law or regulation, requires claim adjusters to pass an exam, within the first year of employment, and obtain licensure through the Department of Insurance.²⁰

The General Assembly may wish to consider expressly permitting SAF to pay renewal licensure fees for adjusters. Precedent has been established, as a longstanding state budget proviso permits state agencies employing attorneys to pay the costs of mandatory dues owed to the South Carolina Bar Association.²¹ Conversely, S.C. Code Section 8-11-199 prohibits state agencies and institutions from paying or reimbursing professional dues payments for individuals to the American Bar Association.²²

SAF personnel should consider submitting a proviso request to present the merits of adjuster license fee payments by the agency as part of the agency's annual budget request. Analysis conducted by agency staff identified a biennial cost of \$2,480 to cover the fees of the agency's 31 adjusters.²³ The funding to pay licensing fees would come from premiums collected from policyholders.²⁴ SAF is completely other funded and does not receive general funds for agency operations or administration.²⁵

Recommendations to the State Accident Fund

Accountability

The Committee makes four recommendations to the State Accident Fund related to accountability, and a summary is in Table 3.

Table 3. Summary of accountability recommendations

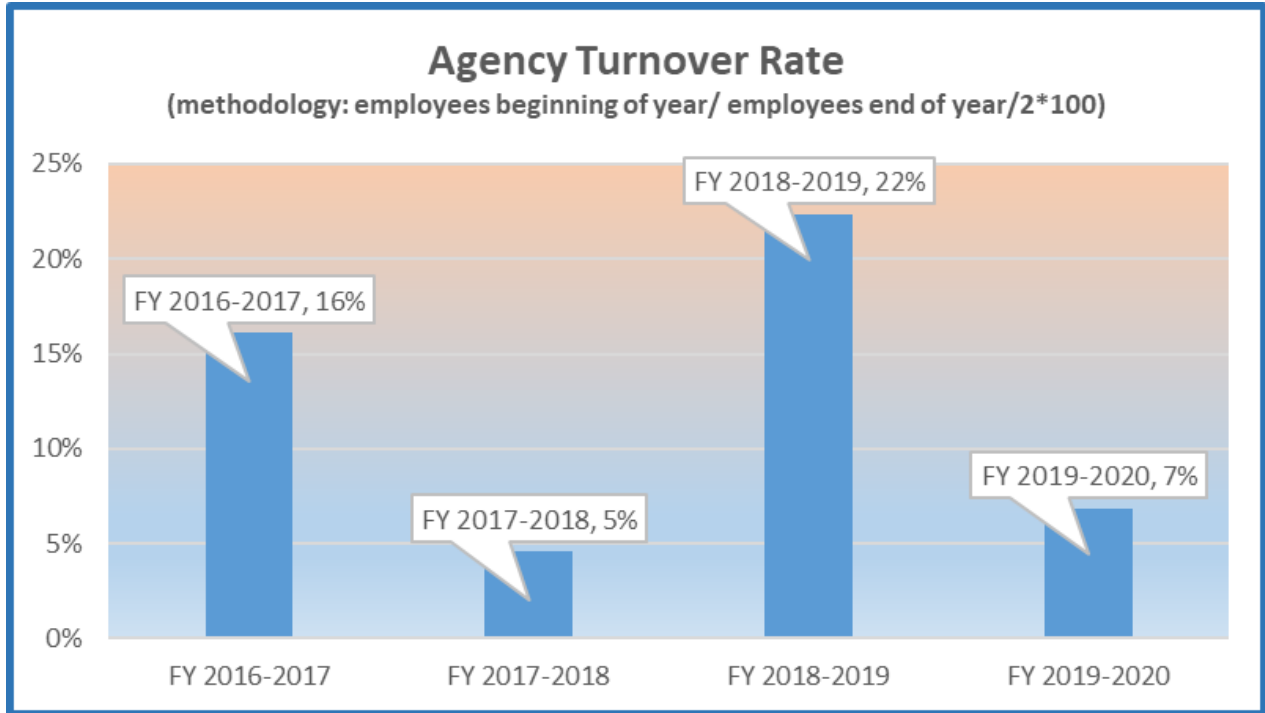
ACCOUNTABILITY	<ol style="list-style-type: none"> 2. Develop and post online a quarterly report, with requisite metrics and performance indicators, to verify the parameters set forth in S.C. Code Section 42-7-20 (administration of SAF by director) are met. 3. Aggregate all exit interview data into a database to track trends and make internal changes to improve employee retention and morale. Share with staff any revisions arising from information received through the exit interview process 4. Create formal policies and procedures regarding the agency’s internal and external response to cyber-attacks (e.g., ransomware, etc.). Address in these formal policies and procedures the crisis strategy, including communication with policyholders, the agency director’s appointing authority, and the state legislature. 5. Establish internal processes and procedures to confirm the accuracy of insurance quotes, credit factors, rates, and other associated communications to ensure current and prospective policyholders receive accurate information.^{SEE FINDING #1.}
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RECOMMENDATION #2. Develop and post online a quarterly report, with requisite metrics and performance indicators, to verify the parameters set forth in S.C. Code Section 42-7-20 (administration of SAF by director) are met.

The agency’s executive director is appointed by the Governor, with the advice and consent of the Senate, for a term of six years.²⁶ The executive director has many, diverse statutory duties (e.g., hiring agency staff; investigation of claims; adjustment and payment of claims and awards; inspection of risks; study and investigation with respect to safety provisions with recommendations to employers as to means of preventing injuries; medical examination of employees, and prosecution of subrogation rights against any third party). Additionally, the executive director may inspect and audit records of employers for the purpose of determining or verifying the amount of annual charges against such employers.²⁷

The executive director is directly accountable to the Governor.²⁸ To communicate agency performance and outcomes to the public, the executive director should post online a quarterly report, with requisite metrics and performance indicators, to verify the parameters set forth in S.C. Code Section 42-7-20 (i.e., administration of SAF by director) are met.

RECOMMENDATION #3. Aggregate all exit interview data into a database to track trends and make internal changes to improve employee retention and morale. Share with agency staff any revisions, arising from information received through the exit interview process, to internal agency policies, procedures, or processes.



According to agency personnel, staffing shortages at the agency have been an issue over successive years.²⁹ As a result, existing staff were required to complete tasks that otherwise would have been performed by a staff member in the vacant position.³⁰ An understaffed organization may create negative staff perceptions of the agency, reduce morale, foster staff burnout and retention issues, and/or lead to poor customer service and dissatisfied policyholders. Figure 2 illustrates agency turnover rates from fiscal year 2016-2020.

Figure 2. Agency turnover rate from fiscal year 2016-2017 through fiscal year 2019-2020 ³¹

Adjuster continuity has been cited as an issue in the annual policyholder survey.³² Agency personnel attribute this lack of adjuster continuity to turnover.³³ Agency personnel further testified exit interviews are conducted to determine why staff opt to leave.³⁴ However, these exit interviews are not aggregated and analyzed by agency leadership to identify trends or to determine potential internal changes to mitigate staff turnover. Further, agency personnel testified internal modifications, affecting agency wide processes, are not archived or attributed to specific issues raised during exit interviews.³⁵ Agency changes (e.g., policy, procedure, process, ect.) arising from exit interview feedback should be communicated to staff to evidence the impact of employee input.³⁶

RECOMMENDATION #4. Create formal policies and procedures regarding the agency's internal and external response to cyber-attacks (e.g., ransomware, etc.). Address in these formal policies and procedures the crisis strategy, including communication with policyholders, the agency director's appointing authority, and the state legislature.

SAF receives and manages sensitive personal identifying information (e.g., diagnosis, medical documentation, date of birth, etc.) on persons filing workers compensation claims. Agency personnel testified, to their knowledge, no known cyber-attacks have targeted the agency.³⁷ However, wrongdoers continually seek to acquire this information for the purposes of fraud and other related identity theft crimes. Maintaining an information technology (IT) infrastructure designed to prevent and mitigate the chances of a data breach is essential as state law imposes security notice breach notification requirements on state agencies as well as private businesses.³⁸

Agency staff testified they are confident in the agency's IT infrastructure and cyber-attack mitigation strategy.³⁹ Currently, the agency has a data recovery plan, but personnel have not translated it into a formal policy.⁴⁰ Also, agency personnel have not conducted any mock cyber-attack trainings to evaluate their response and communication to parties potentially impacted by the attack.⁴¹

To advance cyber-attack mitigation efforts, agency personnel should: (1) request consultative services from the Department of Administration's Office of Technology and Information Services, (2) complete and formalize cyber security policies and procedures, and (3) conduct requisite staff training to verify security competencies. The Department of Administration's Office of Technology and Information Services, the Division of Information Security is responsible for a variety of statewide policies, standards, programs, and services relating to cyber security and information systems, including the statewide coordination of critical infrastructure information.⁴² The Enterprise Privacy Office, within the Office of Technology and Information Services, is responsible for advising state agencies on the management of personal information, as well as establishing, assessing and enhancing privacy protection policy, training and compliance measures.⁴³

RECOMMENDATION #5. Establish internal processes and procedures to confirm the accuracy of insurance quotes, credit factors, rates, and other associated communications to ensure current and prospective policyholders receive accurate information.

Public input received during the study expressed concern about the accuracy of past agency communications to prospective policyholders.⁴⁴ Current and prospective policyholders have a reasonable expectation information they receive from SAF is accurate. As discussed in Finding #1, which this recommendation addresses in part, local government entities can secure workers compensation coverage through SAF or acquire it on the private market.⁴⁵ Given the need for SAF to generate premiums to remain solvent, accuracy in agency communications is vital. See Recommendation #11 for discussion of how the agency is funded.

Effectiveness

The Committee makes eight recommendations to the State Accident Fund related to effectiveness, and a summary is in Table 4.

Table 4. Summary of effectiveness recommendations

EFFECTIVENESS	<ol style="list-style-type: none">6. Determine if the current set of performance measures assist agency leaders in evaluating whether the agency is accomplishing its mission. Consider using resources available from the Department of Administration’s Executive Budget Office (EBO), including but not limited to consulting with EBO’s performance and accountability manager. Review and update performance measures for the fiscal year 2021-22 accountability report.7. Create a strategic plan designed to increase policyholder utilization of safety and loss prevention services provided by the agency. Include in the plan development of online modules to increase accessibility to training material and a target rate for policyholder participation.8. Implement new policies and procedures to ensure meaningful and timely performance reviews for all employees, and institute incentive programs designed to drive performance and desired behaviors. Include in the policies and procedures training requirements for leaders with supervisory responsibility, identification of agency staff responsible for verifying completeness of annual evaluations, and requirements for receipt of performance bonuses.9. Establish an internal process to ensure injured workers are connected to state and community services (e.g., transportation, SC Housing rental assistance program, etc.), which may expedite the injured worker’s return to work.10. Revise policyholder survey to improve the quality and type of information received by adding questions related to technology, customer retention, and services.11. Conduct a market analysis to determine the total number of eligible county or municipal agencies in the state, which are permitted to secure workers’ compensation services per the provisions in S.C. Code Section 42-7-50.12. Collaborate with the Department of Administration to continue to improve workforce planning and organizational development. The State Accident Fund and the Department of Administration’s Division of State Human Resources should update the Committee on their progress within six months of publication of the Committee’s report.13. Utilize management training offered by the Department of Administration, such as the Certified Public Manager Program, for executive leadership.
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RECOMMENDATION #6. Determine if the current set of performance measures assist agency leaders in evaluating whether the agency is accomplishing its mission. Consider using resources available from the Department of Administration's Executive Budget Office (EBO), including but not limited to consulting with EBO's performance and accountability manager. Review and update performance measures for the fiscal year 2021-22 accountability report.

Agency leadership is responsible for evaluating, monitoring, and assessing internal and external organizational results. Metrics of importance to the agency, should be communicated to staff, tracked, and evaluated. Having a clear strategic plan, with metrics capable of illustrating the agency's progress, may improve agency leadership's ability to effectively communicate agency needs to various stakeholders (e.g., internal staff, policy makers, ect.). For example, the use of mediation, which may be performance data point of interest to agency leadership, increased from 41% in state fiscal year 2017-18 to approximately 85% in state fiscal year 2019-20.⁴⁶

According to agency personnel, metrics are not consistently used to evaluate staff performance, productivity, or effectiveness within divisions of the agency (e.g., accounting, claims, legal, etc.).⁴⁷ Agency leadership is developing additional, meaningful efficiency and effectiveness metrics, both agency wide and within the different departments.⁴⁸ During the study, agency leadership expressed openness to receipt of additional resources and expertise to assist with the development of agency metrics.⁴⁹ The Department of Administration's Executive Budget Office (EBO) provides expertise and resources to assist agencies with strategic planning and metric development. Agency personnel should utilize resources provided by EBO to complement internal agency initiatives.

RECOMMENDATION #7. Create a strategic plan designed to increase policyholder utilization of safety and loss prevention services provided by the agency. Include in the plan the development of online modules to increase accessibility to training material and a target rate for policyholder participation.

As a service to policyholders, SAF staff provide trainings and educational offerings to assist with the management of workers' compensation programs.⁵⁰ For example, upon policyholder request, SAF staff provide mock Occupational Safety and Health Administration inspections and other safety inspections.⁵¹

The agency's policyholder services department provides direct customer service to policyholders.⁵² Advice regarding the association between internal improvements and a safer work environment is a core function of this department.⁵³ A safe work environment reduces workplace accidents and provides opportunity for lower premium rates.

Agency leadership would like to see a higher percentage of policyholders utilize these services.⁵⁴ Figure 3 lists the agency's policyholder workers' compensation injuries for fiscal year 2020-2021. Agency leadership noted 562 state and non-state agencies and organizations have policies with SAF.⁵⁵ Over the last four fiscal years, only two percent (or fewer) of total policyholders, took advantage of onsite training.⁵⁶ The low participation rate, which has been

consistent over several years, should be strategically addressed by the agency. A well communicated, incentivized, and easily assessable training program may demonstrate the value the agency assigns to safety and loss mitigation training.

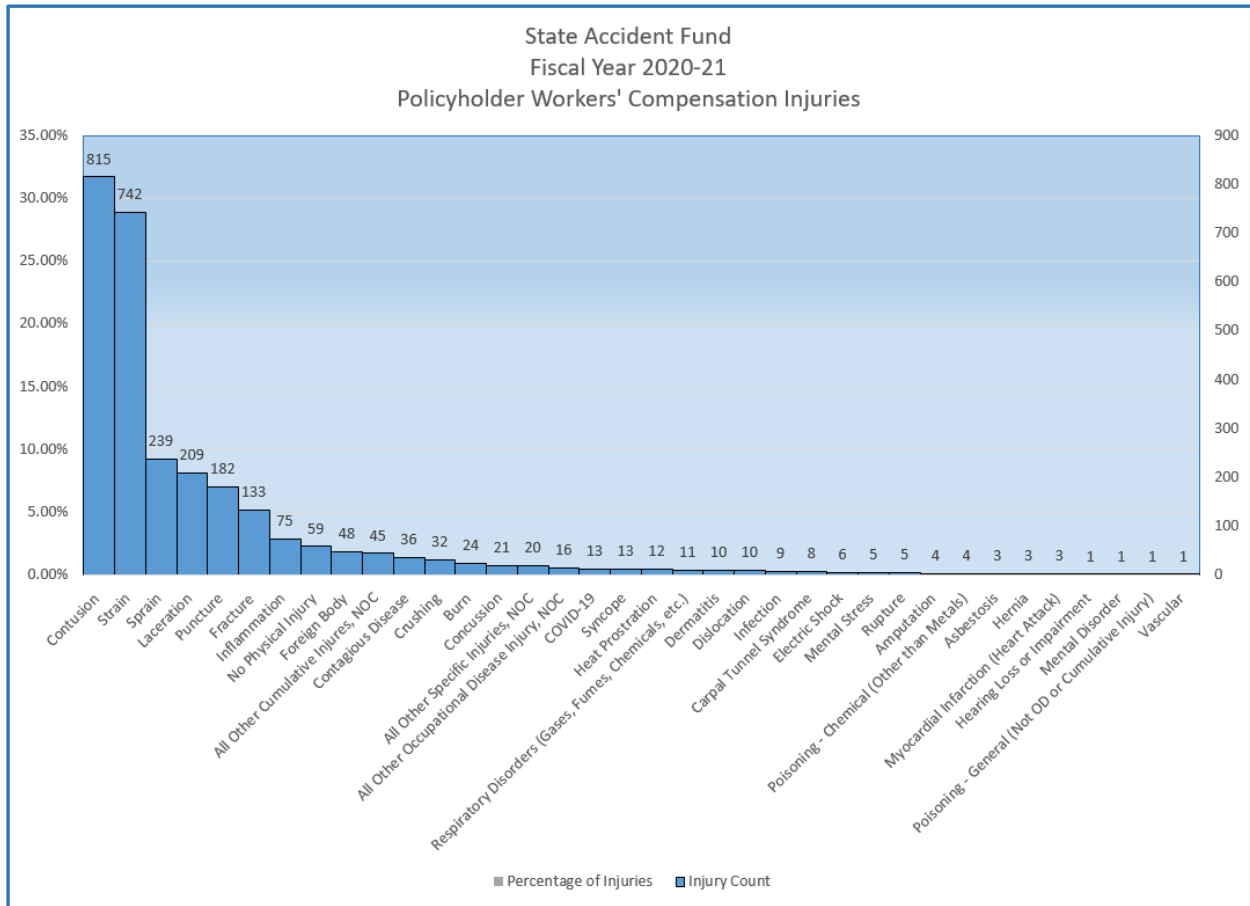


Figure 3. State Accident Fund fiscal year 2020-21 policyholder workers' compensation injuries ⁵⁷

RECOMMENDATION #8. Implement new policies and procedures to ensure meaningful and timely performance reviews for all employees, and institute incentive programs designed to drive performance and desired behaviors. Include in the policies and procedures training requirements for leaders with supervisory responsibility, identification of agency staff responsible for verifying completeness of annual evaluations, and requirements for receipt of performance bonuses.

According to agency personnel, SAF policy requires all employees to receive annually a written Employee Performance Management System evaluation.⁵⁸ These evaluations provide SAF managers and supervisors a method by which to communicate and reinforce desired behaviors, develop staff, and evaluate the agency's human resources.

Career path development (i.e., succession planning), awards programs, remote work opportunities, monetary compensation (e.g., bonuses), tuition assistance, and any other incentives should be considered during annual employee evaluations.⁵⁹ Employee incentive

programs are beneficial as recognition matters in a competitive industry environment like the insurance field. Agency personnel should develop and implement financial and non-financial incentive programs.

As agency leadership develop meaningful, objective metrics to evaluate agency wide effectiveness, managers and supervisors must be trained to objectively appraise employee performance outcomes. Proper communication regarding evaluations should be clear to staff and linked to incentives or other opportunities for advancement within the agency.

RECOMMENDATION #9. Establish an internal process to ensure injured workers are connected to state and community services (e.g., transportation, SC Housing rental assistance program, etc.), which may expedite the injured worker's return to work.

An injured worker's safe and efficient return to work benefits both the worker and employer.⁶⁰ SAF adjusters, from the initial receipt of a claim, should consider opportunities to facilitate an injured worker's return to work. Transitioning an injured worker back to their place of employment should include the evaluation of each injured worker's individual situation to identify barriers which may prevent a timely return to work.⁶¹ For example, if transportation to medical appointments is a barrier, the adjuster may seek to assist with identifying a reasonable solution. This avenue of inquiry provides additional information agency personnel can use to better serve injured workers and policyholders.⁶²

SAF leadership should develop and formally train requisite staff to identify barriers which may extend or permanently prevent an injured worker's return to work. This internal process should include standard questions and talking points for staff to ask during evaluations. The information received should be aggregated for purposes of internal agency research to improve customer services and injured worker outcomes. The agency should further evaluate the allocation of financial resources to assist with mitigating barriers preventing an injured worker's return to work, and whether the return-on-investment proves feasible for such an investment.

RECOMMENDATION #10. Revise policyholder survey to improve the quality and type of information received by adding questions related to technology, customer retention, and services.

Annually, SAF personnel send a survey to policyholders to evaluate their satisfaction with services provided by the agency.⁶³ The survey seeks input about the following departments: premium audit; safety and loss; and claims.⁶⁴ The agency goal is to receive at least 90 percent or higher in positive responses on the survey.⁶⁵

SAF's annual policyholder survey consists of 13 questions.⁶⁶ The agency's survey, except for two yes/no questions, consists of Likert scale questions.⁶⁷ These questions typically use a scale ranging from one extreme attitude to another (e.g., strongly agree, strongly disagree, etc.).⁶⁸ The agency should include additional questions related to specific internal challenges designed

to enhance customer service and provide opportunities for open-ended comments. For example, technology, customer retention, and services (e.g., safety and loss, etc.), were identified as areas of opportunity for potential improvement.⁶⁹ Agency leadership may benefit from learning customer perceptions regarding these items.

In addition to the existing questions identified in the annual policyholder survey, the agency should inquire about policyholder knowledge and opinion of the following:

- SAF offers online tools designed to make payments, claims processing, and other insurance related services easy to complete;
- SAF effectively communicates the benefit of utilizing its safety and loss control services;
- SAF has actively and conspicuously communicated a desire to retain your business;
- SAF communicates and explains changes in premiums, both increases and decreases; and
- List training and information seminars that would benefit your organization/agency.⁷⁰

RECOMMENDATION #11. Conduct a market analysis to determine the total number of eligible county or municipal agencies in the state, which are permitted to secure workers' compensation services per the provisions in S.C. Code Section 42-7-50.

According to agency personnel, SAF has 420 non-state policyholders (i.e., local government entities).⁷¹ Figure 4 shows non-state policyholder distribution by county.⁷² These policyholders represent 19% of total premiums received and 15% of total covered employees. S.C. Code Section 42-7-50 affords local government entities the option to secure workers' compensation insurance through SAF. Agency leadership emphasized SAF does not solicit business outside of what is prescribed in statute.⁷³

SAF's ability to provide workers' compensation insurance to local government entities (e.g., counties, municipalities, and political subdivisions) allows for the distribution of risk across a wider pool of policyholders. Unlike state agencies, which are required to procure workers' compensation insurance through the State Accident Fund, local government entities can explore the private insurance market. According to agency personnel, guaranteed coverage is a key benefit of SAF as qualified non-state entities cannot be refused coverage.⁷⁴

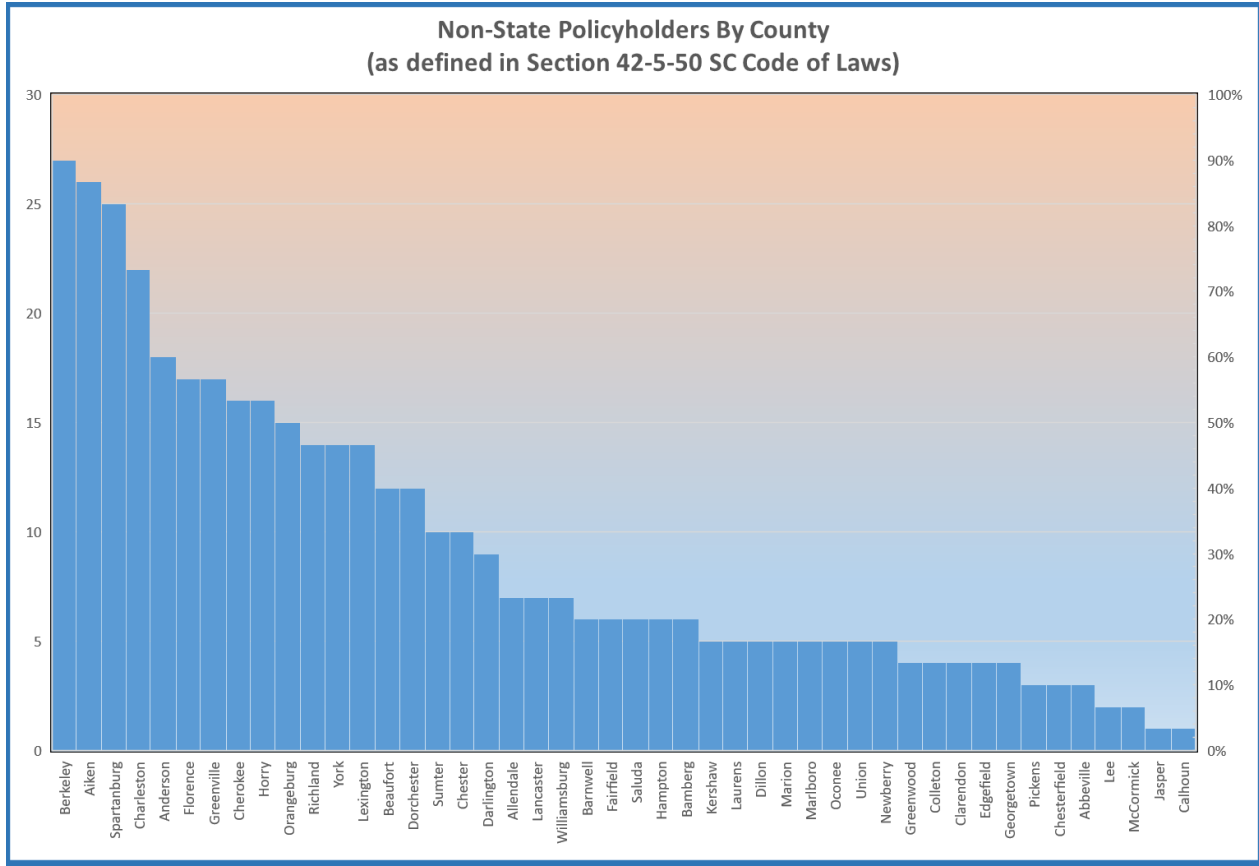


Figure 4. Non-State Policyholders by county⁷⁵

SAF does not receive direct appropriations from the General Assembly for the regular administration of the agency.⁷⁶ Agency operations, including costs associated with workers’ compensation losses, are covered by policyholder premiums.⁷⁷ As mentioned in Finding #1 and Recommendation #5, access to local government business enables SAF to remain solvent. S.C. Code Section 42-7-75 provides if there are not sufficient funds in the SAF trust account to pay operating expenses and claims as they arise, the State Treasurer shall, from the general fund of the state, deposit in the account monthly sufficient funds to pay expenses and claims required by law to be paid. Per agency personnel testimony, a major success of the agency has been its ability to remain self-sustaining and not require direct appropriations from the general fund.⁷⁸

SAF personnel should complete a comprehensive analysis of the state to determine the total number of prospective non-state policyholders. These policyholders are critical to the sustainability of the agency’s service model. To help prospective policyholders make informed decisions, agency personnel should accurately inform them about SAF services offered.

RECOMMENDATION #12. Collaborate with the Department of Administration to continue to improve workforce planning and organizational development. The State Accident Fund and the Department of Administration's Division of State Human Resources should update the Committee on their progress within six months of publication of the Committee's report.

During the study, SAF personnel identified prior agency directors as the architects of the agency's organizational development and external marketing strategies.⁷⁹ This included minimal investments in agency infrastructure and personnel as well as active marketing to reacquire lost policyholder accounts.⁸⁰

SAF should work collaboratively with the Department of Administration's (DOA) Division of State Human Resources to develop and implement proven workforce planning methods and organizational development frameworks. The focus on alignment of strategy, staff, metrics, and management processes may assist the agency long-term. SAF and DOA should update the Committee on their progress within six months of publication of the Committee's report. The report should include an initial assessment of the agency and changes implemented or scheduled for implementation following the assessment.

RECOMMENDATION #13. Utilize management training offered by the Department of Administration, such as the Certified Public Manager Program, for executive leadership.

The South Carolina Certified Public Manager Program is a nationally accredited management development program offered by the Department of Administration for managers and supervisors in state government.⁸¹ SAF leadership should make it a standard practice, to afford supervisors and managers an opportunity to earn this certification. This investment may improve morale, prepare employees for any leadership opportunities with the agency, and assist the agency with succession planning.

Efficiency

The Committee makes four recommendations to SAF related to efficiency, and a summary is in Table 5.

Table 5. Summary of efficiency recommendations

EFFICIENCY	<ol style="list-style-type: none"> 14. Develop a plan to incorporate LinkedIn learning, a learning platform available at no cost to the agency through the Department of Administration, to enhance training offerings provided to agency staff. 15. Evaluate the efficacy of a monetary incentive bonus structure for employees with metric driven performance goals (e.g., claims teams, etc.) to improve overall agency performance, customer satisfaction, build employee morale, and recruit and retain employees. Report findings within six months of publication of the Committee’s report. 16. Conduct an internal study to evaluate the efficacy of remote work options by utilizing the Department of Administration’s Division of Human Resources telecommuting toolkit. 17. Conduct a study to evaluate the efficacy of online payments (e.g., Automatic Clearing House, Electronic Funds Transfer, etc.) for premium payments and claims payments and the impact of delaying implementation of these services (e.g., reduced productivity, agency/policyholders costs, customer satisfaction, business sector competitiveness, etc.). Report findings within six months of publication of the Committee’s report.
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RECOMMENDATION #14. Develop a plan to incorporate LinkedIn learning, a learning platform available at no cost to the agency through the Department of Administration, to enhance training offerings provided to agency staff.

SAF personnel, like other state agencies and private sector organizations, require training for ongoing staff development. Organizational readiness is dependent on competent and committed staff. Competence may increase with training, and commitment may increase when there are advancement opportunities. According to agency personnel, the human resources department is responsible for all general non-specific job training (e.g., code of conduct).⁸² Job specific training is managed within agency departments.⁸³

The Department of Administration, in response to the COVID-19 pandemic, expanded training opportunities to accommodate a remote workforce.⁸⁴ These expanded offerings, which

includes LinkedIn Learning, have been made available at no cost to state agencies.⁸⁵ LinkedIn Learning, which allows agencies to provide a broad range of training resources to staff, offers the following:

- An online platform with more than 8,000 courses and videos to achieve professional growth;
- Engaging top-quality courses taught by recognized industry experts;
- Courses accessible from a workstation or mobile device, 24/7;
- Courses ranging from micro lessons to extended lessons; and
- Hard and soft skill courses depending on the employee's current role.⁸⁶

Agency leadership should identify opportunities to bolster existing training and expand available trainings based on skills likely to enhance agency performance. Agency personnel testified about the need to provide additional staff training pertaining to the protection of sensitive data and related information.⁸⁷ LinkedIn Learning provides courses such as: IT Security Foundations: Core Concepts; Implementing an Information Security Program; and Soft Skills for Information Security Professionals. Additionally, according to agency personnel, there is a need for better understanding of what constitutes an effective performance metric.⁸⁸ Courses specific to key performance indicators, the development of these indicators, and the visualization of these indicators via performance dashboards, are also available through LinkedIn Learning.

RECOMMENDATION #15. Evaluate the efficacy of a monetary incentive bonus structure for employees with metric driven performance goals (e.g., claims teams, etc.) to improve overall agency performance, customer satisfaction, build employee morale, and recruit and retain employees. Report findings within six months of publication of the Committee's report.

According to agency leadership, incentives for team or individual performance, based on objective measures, are not utilized.⁸⁹

During the study process, agency personnel provided metrics specific to each department within the agency. For example, the claims director is responsible for the direct supervision of claims supervisors.⁹⁰ There are four supervisors working in this department, and each is responsible for a team of five adjusters and one claims technician.⁹¹ Given the nature of the tasks performed by these teams, objective and verifiable data are available to determine the productivity of each team. Claims department metrics include the following:

- Incoming claims by claim type (report only, medical only, lost time) and team distribution;
- Claim closures by team;
- Closing ratios by team;
- Average spent at the time of closure (indemnity and medical) by team;
- Average compensability time per adjuster;

- Average medical bill payment time per adjuster;
- Settlement count by team and dollar amount;
- Average settlement amount by team;
- Total open caseload per adjuster;
- Annual audit score per adjuster;
- Number and amount of claim fines paid to Workers' Compensation Commission;
- Annual claims savings realized through vendor partnerships; and
- Positive and negative comments to annual policyholder survey.⁹²

Based on data available to agency leadership, team specific performance, can be measured and substantiated.

Aside from informal functions within individual departments, agency personnel do not receive formal incentives (e.g., bonuses, etc.) to drive performance.⁹³ According to agency leadership, SAF policy permits a one-time bonus, up to \$1,000, to recognize an employee's significant accomplishments and contributions to the agency. Agency leadership should utilize the latitude provided in its own policies to encourage and reward meritorious team performance. Formal incentives may drive teams to improve processes, seek out innovative solutions, and improve customer service.

RECOMMENDATION #16. Conduct an internal study to evaluate the efficacy of remote work options by utilizing the Department of Administration's Division of Human Resources telecommuting toolkit.

The move to remote work, due to COVID-19, has led to a paradigm shift regarding where staff do their work. As private sector industries embrace remote work, SAF must adapt as recruitment and retention is likely to become more challenging as employees seek opportunities for increased flexibility.

According to agency personnel, SAF did not have a telecommuting policy or practice in place prior to COVID-19.⁹⁴ Mandatory office closures forced all state agencies to adapt and find ways to provide services while working remotely.⁹⁵ SAF, an agency with no prior history of allowing employees to work remotely, transitioned nearly all its staff to remote work.⁹⁶ Agency leadership purchased licenses for a secure remote access software to allow employees secure access to SAF's system while working from home. Also, agency personnel purchased additional laptops for general use by the agency, which allowed employees who lacked the necessary technology, to work from home.⁹⁷ The agency invested just shy of \$1700 for the software and a little over \$39,000 for 30 laptops.⁹⁸ Given the financial investment, and the agency's ability to successfully implement a remote work strategy, agency leadership should formally investigate the benefits of fully implementing a remote/telecommuting policy.

Remote work (i.e., telecommuting) resulting in greater efficiency and cost savings is authorized by state statute.⁹⁹ Additionally, the Department of Administration's Division of

State Human Resources has made available a Telecommuting Toolkit to assist state agencies with the development of a remote work implementation strategy.¹⁰⁰ The following items are included in the Toolkit: Agency Telecommuting Checklist; Model Telecommuting Policy; Sample Telecommuting Application; Sample Telecommuting Agreement; Sample Telecommuting Workplace Checklist; Sample Telecommuting Activities Form; Suggested Space Guidelines for Telecommuting Employees; Sample Business Case for Telecommuting; Telecommuting Pilot Tracking Spreadsheet; Spreadsheet to Record Telecommuting in SCEIS; and Required Telecommuting Reporting for Non-SCEIS organizations.¹⁰¹

RECOMMENDATION #17. Conduct a study to evaluate the efficacy of online payments (e.g., Automatic Clearing House, Electronic Funds Transfer, etc.) for premium payments and claims payments and the impact of delaying implementation of these services (e.g., reduced productivity, agency/policyholder costs, customer satisfaction, business sector competition, etc.). Report findings within six months of publication of the Committee's report.

According to agency staff, policyholders are not able to make any electronic fund transactions with SAF.¹⁰² Currently, policyholders must make premium payments to the agency by check. This payment system is antiquated, inefficient, and does not provide a level of service standard in today's business environment.

Agency personnel noted the absence of investment, by prior agency directors, as the reason for lacking electronic forms of payment and funds transfer services.¹⁰³ Notably, the agency's current information technology infrastructure update does not include the implementation of these resources.¹⁰⁴ A study to evaluate the efficacy of online payments and fund transfer services, should be conducted to gauge the impact an absence of these services has on agency productivity, costs, customer satisfaction, and industry competitiveness. This report should be submitted to the Committee within six months of publication of the Committee's report.

Transparency

The Committee makes three recommendations to the State Accident Fund related to transparency, and a summary is in Table 6.

Table 6. Summary of transparency recommendation

TRANSPARENCY	<ol style="list-style-type: none"> 18. Post agency process flow charts (e.g., appeals, etc.) online. 19. List names and contact information for senior leaders and department heads on agency website. Include a statement from the agency director on the agency website.. 20. Post contact information for the South Carolina Office of Inspector General, conspicuously on the agency’s website, to provide a way for the public to report fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing specific to the State Accident Fund.
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RECOMMENDATION #18. Post agency process flow charts (e.g., receipt of claims, etc.) online.

During the Subcommittee’s review of SAF, agency staff created and presented process flowcharts illustrating internal agency operations (e.g., claims, subrogation, etc.). Policyholders, injured workers, and other associated stakeholders may benefit from having access to these flow charts. These charts may increase customer satisfaction and understanding of agency processes and procedures, reduce call volume, and provide additional resources for staff to refer current or potential customers.

RECOMMENDATION #19. List names and contact information for senior leaders and department heads on agency website. Include a statement from the agency director on the agency website.

SAF does not list agency staff contact information on its website (e.g., phone number, email, etc.).¹⁰⁵ Current and perspective policyholders, injured workers, and other associated stakeholders may benefit from having staff contact information readily accessible. Additionally, the agency director should post a written statement regarding the mission and vision of the agency, and its desire to provide excellent service. The agency director’s professional head shot should accompany the written statement.

RECOMMENDATION #20. Post contact information for the South Carolina Office of Inspector General, conspicuously on the agency’s website, to provide a way for the public to report fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing specific to State Accident Fund.

The State Inspector General investigates and addresses allegations of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing in the executive branch of state government.¹⁰⁶ As discussed in Finding #1, constituent testimony identified the lack of formal oversight, by the Department of Insurance, as a limitation to ensuring operational integrity at SAF.¹⁰⁷

The State Inspector General provides another venue for concerned stakeholders to report issues, including concerns about SAF operational integrity, which may warrant investigation.¹⁰⁸ Agency leadership should post the State Inspector General’s contact information conspicuously on the agency’s website. Many other state agencies include the State Inspector General’s contact information on their own websites.¹⁰⁹

This recommendation addresses Finding #1.

SELECTED AGENCY INFORMATION

State Accident Fund. “Program Evaluation Report, 2020.”

(accessed September 21, 2021).

State Accident Fund. “Restructuring and Seven-Year Plan Report, 2015.”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/ArtsCommission/Arts%20-%202015%20Restructuring%20and%20Seven-Year%20Plan%20Report.pdf> (accessed September 21, 2021).

State Accident Fund. “Agency Accountability Report, 2019-2020.”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/aar2020/H910.pdf> (accessed September 21, 2021).

S.C. House of Representatives, Legislative Oversight Committee. “State Accident Fund, S.C. Study Materials.”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPFiles/ArtsCommission.php> (accessed September 21, 2021).

REPORT ACTIONS

FULL COMMITTEE OPTIONS STANDARD PRACTICE 27.2.3	FULL COMMITTEE ACTION(S)	DATE(S) OF FULL COMMITTEE ACTION(S)
(1) Refer the study and investigation back to the Subcommittee or an ad hoc committee for further evaluation; (2) Approve the Subcommittee’s study; or (3) Further evaluate the agency as a full Committee, utilizing any of the available tools of legislative oversight.	Subcommittee study report available for consideration	06.10.2022
	Subcommittee study presentation and discussion	08.09.2022
	Approval of the Subcommittee’s study	08.09.2022

ENDNOTES

¹ Figure 1 is compiled from information in the State Accident Fund study materials available online under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and then under “State Accident Fund, S.C.” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/StateAccidentFund.php> (accessed May 23, 2022).

²1947 Act No. 111 established the State Workers’ Compensation Fund. In 1993 Act No. 181, Section 996, the General Assembly changed references to “State Workers’ Compensation Fund” to the “State Accident Fund.”

S.C. Code Section 42-7-50 authorizes counties and municipalities to obtain workers’ compensation insurance from the State Accident Fund.

³ S.C. Code Section 42-7-50.

⁴ S.C. House of Representatives, House Legislative Oversight Committee, “Meeting Minutes” (April 8, 2021), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Accident Fund, State,” and under “Meetings,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes/Minutes%204.8.21%20full%20committee%20.pdf> (accessed May 23, 2022). The meeting packet is available at <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/AttorneyGeneral/4.8.21%20Meeting%20Packet.pdf>. A video of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=11002&part=1>. See video at 01:54:09-01:54:41. Hereinafter, “April 8, 2021 Meeting Packet, Minutes, and Video.”

See also, S.C. House of Representatives, House Legislative Oversight Committee, “Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Accident Fund, State,” and under “Correspondence,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/StateAccidentFund/SAF%20response%20to%20December%206%20letter.pdf> (accessed May 23, 2022). See response to question 1. Hereinafter “Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021).”

⁵ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

See also, S.C. Code Sections 42-7-10 through 42-7-210.

⁶ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

⁷ Ibid.

⁸ S.C. House of Representatives, House Legislative Oversight Committee, “Agency response Committee letter to State Accident Fund (November 15, 2021),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Accident Fund, State,” and under “Correspondence,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/StateAccidentFund/Response%20letter%20to%20LOC%20letter%2011.15.2021.pdf> (accessed May 23, 2022). See response to question 25. Hereinafter “Agency response Committee letter to State Accident Fund (November 15, 2021).”

⁹ Municipal Association of South Carolina, “SC Municipal Insurance Trust,” <https://www.masc.sc/programs/insurance-and-risk-management/south-carolina-municipal-insurance-trust> (accessed May 23, 2022). Of interest, the website references the South Carolina Workers’ Compensation Commission regulates this program.

S.C. Association of Counties, “Trust Services,” <https://www.sccounties.org/insurance-trusts/trust-services> (accessed May 23, 2022).

S.C. School Boards Association, “South Carolina School Boards Insurance Trust,” <https://scsba.org/scsbit/> (assessed May 23, 2022).

¹⁰ Constituent email message to House Legislative Oversight Committee, September 22, 2020. Among other things, the constituent expressed concern the agency is “a quasi-profitmaking enterprise and purposefully and overtly compete[s] against private business interests.” Hereinafter, “Constituent email message to House Legislative Oversight Committee, September 22, 2020.”

¹¹ Ibid. Among other things, the constituent noted a former agency head “confirmed for me that the State Accident Fund is not regulated by the Department of Insurance nor does it subscribe to the rate making rules of the National Council on Compensation Insurance (NCCI) as all regulated workers’ compensation private insurers do.”

¹² S.C. House of Representatives, House Legislative Oversight Committee, “Meeting Minutes” (November 17, 2021), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Accident Fund, State,” and under “Meetings,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/StateAccidentFund/11.17.21%20Minutes.pdf> (accessed May 23, 2022). The meeting packet is available at <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/StateAccidentFund/Meeting%20Packet%2011.17.21%20-%20LOC.pdf>. A video of the meeting is available at

<https://www.scstatehouse.gov/video/archives.php?key=11564&part=1>. See video at 00:57:48-00:59:01. Hereinafter, “November 17, 2021 Meeting Packet, Minutes and Video.”

¹³ Ibid. See video at 00:23:22-00:23:58 and at 00:57:48-00:59:01.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

See also, Erin Farthing, Acting Executive Director email message to House Legislative Oversight Committee Lewis Carter, Research Analyst/Auditor, January 5, 2022. Hereinafter, “January 5, 2020 Erin Farthing email message to Committee staff.”

¹⁷ January 5, 2020 Erin Farthing email message to Committee staff.

¹⁸ South Carolina Comptroller General’s Office, “South Carolina Statewide Disbursement Regulations,” <https://cg.sc.gov/sites/default/files/Documents/Guidance%20and%20Forms%20for%20State%20Agencies/CG's%20Accounting%20Policies%20and%20Procedures/12-31-21/Disbursement%20Regulations%20-%20December%202021.pdf> (accessed January 6, 2022). See Miscellaneous Number 6. Of interest, the Comptroller General’s Office does not appear to have any regulations published in the South Carolina Code of Regulations.

¹⁹ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

²⁰ Ibid.

²¹ 2021 Act No. 94 Part 1B, Proviso 117.62. This section provides that “[a]gencies and offices of the State of South Carolina that employ attorneys are authorized, if they so decide, to use other appropriated funds, including General Fund carry forward funds, to pay the costs of mandatory dues owed to the South Carolina Bar Association.”

²² This provision was enacted in 2002. See 2002 Act No. 356.

²³ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

²⁴ Ibid.

See also, S.C. House of Representatives, House Legislative Oversight Committee, “Meeting Minutes” (October 14, 2021), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Accident Fund, State,” and under “Meetings,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/StateAccidentFund/10.14.21%20Minutes.pdf> (accessed May 23, 2022). A video of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=11535&part=1>. See video at 00:59:48-00:59:54. The meeting packet is available at <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/StateAccidentFund/Meeting%20Packet%2010.14.21%20-Website%20Version.pdf>. Hereinafter, “October 14, 2021 Meeting Packet, Minutes, and Video.”

²⁵ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

See also, 14, 2021 Meeting Packet, Minutes, and Video.” See video at 00:59:48-00:59:54.

²⁶ S.C. Code Section 42-7.20.

²⁷ Ibid.

²⁸ October 14, 2021 Meeting Packet, Minutes, and Video.. See video at 00:34:16 – 00:34:42.

See also, South Carolina Office of the Governor, “Cabinet Agencies,” <https://governor.sc.gov/executive-branch/cabinet> (accessed May 24, 2022). Of interest, the agency is not listed on the Governor’s website as a cabinet agency.

²⁹ November 17, 2021 Meeting Packet, Minutes and Video. See video at 00:22:46-00:23:22.

³⁰ Ibid.

³¹ October 14, 2021 Meeting Packet, Minutes, and Video.. See meeting packet pages 35-38, which are agency slides 49-52.

³² Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 40.

³³ November 17, 2021 Meeting Packet, Minutes and Video. See video at 01:14:17 – 01:14:25.

³⁴ Ibid.

³⁵ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 8.

³⁶ Ibid.

³⁷ Ibid. See response to question 18.

³⁸ 2008 Act No. 190 is referred to as the “Financial Identity Fraud and Identity Theft Protection Act.”

See also, Department of Consumer Affairs, “Identity Theft and the Law A Guide for Business & Government,” https://consumer.sc.gov/sites/consumer/files/Documents/Identity%20Theft/fifitpa_brochure.pdf (accessed May 23, 2022).

³⁹ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 19.

⁴⁰ Ibid. See response to question 20.

⁴¹ Ibid. See response to question 21.

⁴² Department of Administration, “Information Security and Privacy,” <https://admin.sc.gov/technology/InformationSecurityAndPrivacy> (accessed May 23, 2022).

⁴³ Ibid.

⁴⁴ Constituent email message to House Legislative Oversight Committee, September 22, 2020. Among other things, the constituent alleged that agency email correspondence “was espousing lower rates and provided an insurance premium quote based on outdated and inaccurate information.”

⁴⁵ S.C. Code Section 42-7-50.

⁴⁶ November 17, 2021 Meeting Packet, Minutes and Video. See video at 00:30:33-00:31:32.

Mediation, which involves a neutral third party, occurs when the injured employee and the insurance company cannot agree on a settlement.

⁴⁷ November 17, 2021 Meeting Packet, Minutes and Video. See video at 01:11:23-01:11:55.

⁴⁸ Agency response Committee letter to State Accident Fund December 6, 2021 (December 22, 2021). See response to question 1.

⁴⁹ Ibid.

⁵⁰ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 00:51:40-00:52:41.

⁵¹ Ibid.

⁵² Ibid.

The policyholders service department is comprised of: (1) premium audit, and (2) safety and loss control.

⁵³ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 00:51:40-00:52:41.

⁵⁴ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 13.

⁵⁵ October 14, 2021 Meeting Packet, Minutes, and Video. See meeting packet page 67, which is agency slide number 53.

⁵⁶ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 12.

⁵⁷ Matthew Hansford, Deputy Director email message to House Legislative Oversight Committee Lewis Carter Research Analyst/Auditor, February 3, 2022.

⁵⁸ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 2.

⁵⁹ Department of Administration, "Tuition Assistance Guidelines (Updated 7/2020)," https://admin.sc.gov/sites/default/files/state_hr/7-16-2020%20Approved%20-%20Tuition%20Assistance%20Guidelines.pdf (accessed May 23, 2022).

⁶⁰ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 00:18:00-00:19:06.

⁶¹ November 17, 2021 Meeting Packet, Minutes and Video. See video at 01:31:06-01:31:35.

⁶² Ibid. See video at 00:04:21-00:04:56.

⁶³ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 01:52:20-01:52:51.

⁶⁴ November 17, 2021 Meeting Packet, Minutes and Video. See video at 00:04:43-00:04:56.

⁶⁵ Ibid. See video at 00:05:19-00:05:52.

⁶⁶ Agency response Committee letter to State Accident Fund (November 15, 2021). See policyholder survey information.

⁶⁷ Ibid.

⁶⁸ Ibid.

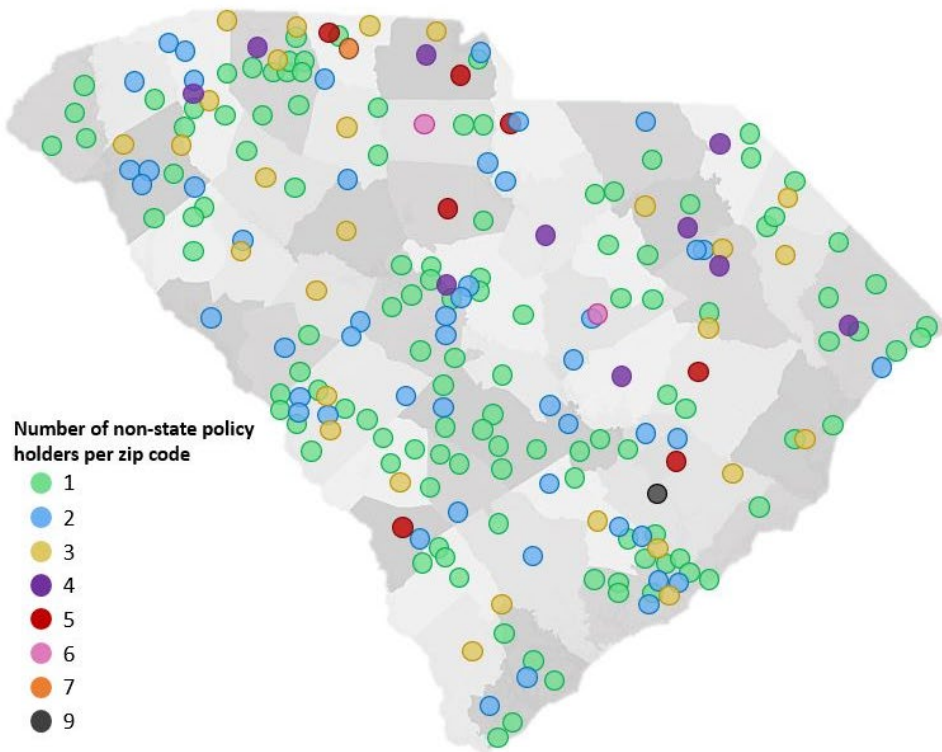
⁶⁹ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 00:59:02-00:59:20.

See also, Agency response Committee letter to State Accident Fund (November 15, 2021). See policyholder survey information.

⁷⁰ The agency could include open-ended options in the online tools designed to make payments, claims processing, and other insurance related services easy. Additionally, the agency could add an additional question to the policyholder survey to ask for a list of training and information seminars that would benefit your organization/agency.

⁷¹ October 14, 2021 Meeting Packet, Minutes, and Video. See meeting packet slides at 67-69.

⁷²



Endnote Figure 1. Non-state policyholders by zip code

Source: October 14, 2021 Meeting Packet, Minutes, and Video. See meeting packet slides at 67-69.

⁷³ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 01:09:38-01:10:03.

⁷⁴ April 8, 2021 Meeting Packet, Minutes, and Video. See video at 02:12:24-02:13:12.

⁷⁵ October 14, 2021 Meeting Packet, Minutes, and Video. See meeting packet slides at 67-69.

⁷⁶ Ibid. See video at 00:59:47-01:00:06.

⁷⁷ Ibid.

⁷⁸ November 17, 2021 Meeting Packet, Minutes and Video. See video at 00:34:13-00:34:22.

⁷⁹ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 01:02:20-01:03:29.

⁸⁰ Ibid.

⁸¹ Department of Administration, "Certifications," <https://admin.sc.gov/Training/Certifications> (accessed May 23, 2022).

Of interest, the National Certified Public Manager Consortium monitors and accredits the program.

⁸² November 17, 2021 Meeting Packet, Minutes and Video. See video at 01:15:25-01:15:50.

⁸³ Ibid.

⁸⁴ Department of Administration, "Resources," <https://admin.sc.gov/Training/Resources> (accessed May 24, 2022).

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to questions 19-21.

⁸⁸ Ibid. See response to question 1.

⁸⁹ November 17, 2021 Meeting Packet, Minutes and Video. See video at 01:40:08-01:40:38.

⁹⁰ Ibid. See video at 01:24:50-01:25:07.

⁹¹ Ibid.

⁹² Ibid. See meeting packet page 55, which is agency slide number 42.

⁹³ Ibid. See video at 01:40:08-01:40:42.

⁹⁴ Ibid. See video at 00:26:48-00:27:07.

⁹⁵ Ibid.

⁹⁶ Ibid. See video at 00:27:08-00:27:23.

⁹⁷ Agency response Committee letter to State Accident Fund (November 15, 2021). See response to question 47.

⁹⁸ Ibid. See response to question 13.

Of interest, the agency expended \$1,659.99 for the software and \$39,041.70 for 30 laptops (including mice and carrying bags).

⁹⁹ S.C. Code Section 8-11-15(B).

¹⁰⁰ Department of Administration Telecommuting Toolkit (updated June 2021)
https://admin.sc.gov/dshr/model_policies#telecommuting (accessed May 23, 2021).

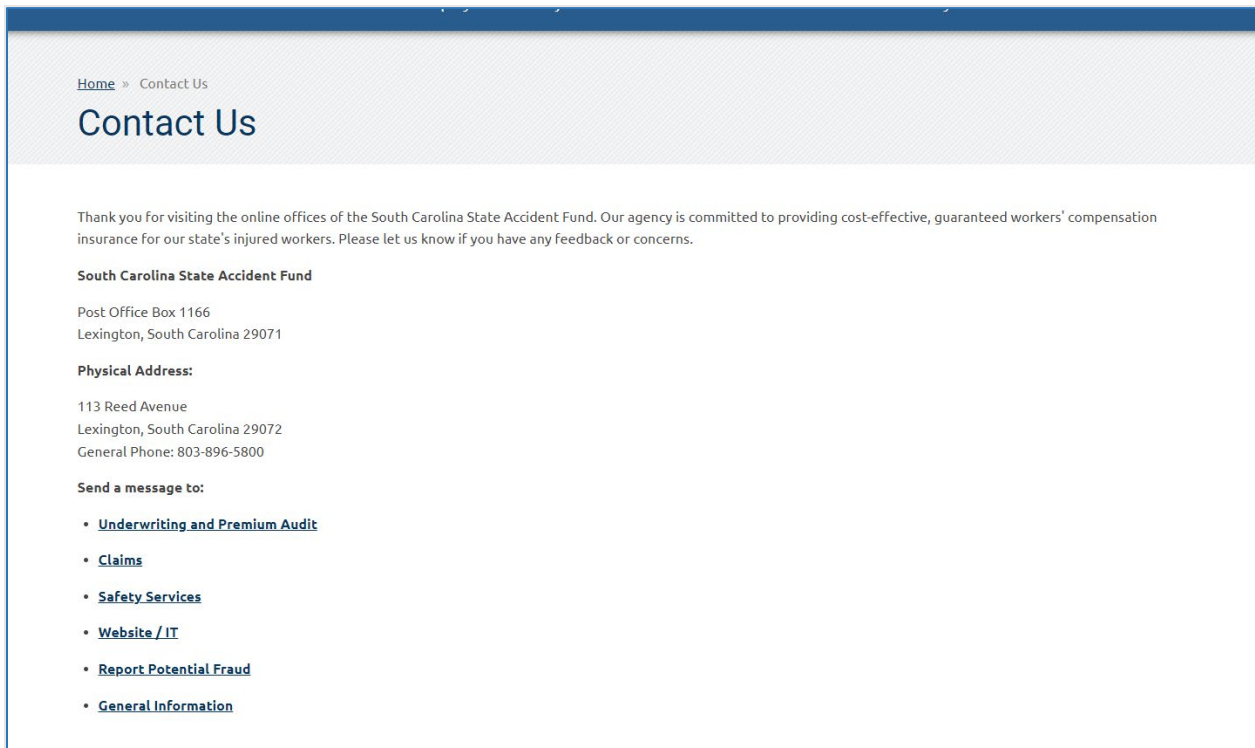
¹⁰¹ Ibid.

¹⁰² October 14, 2021 Meeting Packet, Minutes, and Video. See video at 00:58:35-00:58:58.

¹⁰³ Ibid. See video at 01:02:20-01:03:24.

¹⁰⁴ Ibid. See video at 00:58:58 - 00:59:20.

¹⁰⁵ State Accident Fund, "Contact Us," <https://saf.sc.gov/contact-us> (accessed May 23, 2022).



Endnote Figure 2. Screenshot of the agency's contact information as of May 23, 2022

Of interest, the Department of Administration's Division of Technology Operations provides an online telephone directory search feature for state agencies, including the State Accident Fund.

¹⁰⁶ S.C. Code Section 1-6-20.

¹⁰⁷ October 14, 2021 Meeting Packet, Minutes, and Video. See video at 00:03:58-00:04:06.

¹⁰⁸ April 8, 2021 Meeting Packet, Minutes, and Video. See video at 01:54:15-01:54:41.

¹⁰⁹ Committee's staff limited review of state agency websites on May 23, 2022, noted the following included links to the State Inspector General's Office: SC Housing (located at bottom of page); Comptroller General's Office (located at top right-hand corner); Department of Administration (located bottom of page); and Department of Disabilities and Special Needs (located at bottom of page).