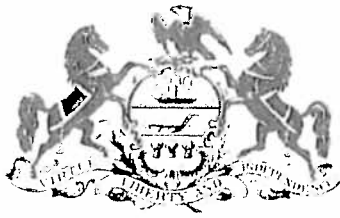


**GORDON DENLINGER, MEMBER**  
99<sup>TH</sup> LEGISLATIVE DISTRICT



*House of Representatives*  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

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## MEMORANDUM

**DATE:** January 10, 2011

**FROM:** Rep. Gordon R. Denlinger 

**TO:** All House Members

**SUBJECT:** Reintroduction of Legislation  
(**Prior HB 900** – Create Appeal Board for SWIF)

I am planning to re-introduce legislation that would create an independent appeal board within the State Workers' Insurance Fund (SWIF) to hear appeals from employers concerning billing disputes. The legislation amends the Workers' Compensation Act (Act 338 of 1915) to create a board of 11 individuals who represent the Department of Labor & Industry, the Legislature, and business interests; this board would consider billing disputes between SWIF and its subscribers, and it would ensure that employers receive fair consideration of their appeals.

As many of you are aware, SWIF is the insurer of last resort in the workers' compensation system and is required by statute to insure any employer that wishes to be covered by it (the assumption of the law being that some employers may not be able to obtain insurance in the private market). Occasionally disputes arise between SWIF and its subscribers about the results of an audit (many times the dispute revolves around the status of individuals as "employees" or "independent contractors"). There is an "in house" review procedure at SWIF to handle such disputes which ultimately leads to the consideration of appeals by SWIF's "Legal Committee"; this committee is composed of SWIF employees. It is my opinion that the consideration of appeals by SWIF's employees is inherently biased against a subscriber and may not lead to fair consideration of the issues involved in many cases. It is the intent of my legislation to create a process that gives our constituents a fair hearing of their appeals of audit/billing disputes. I intend to introduce this legislation in the near future and would ask that you contact Jessica Murphy in my office at [ilmurphy@pahousegop.com](mailto:ilmurphy@pahousegop.com) if you wish to join as a cosponsor.

Previous Co-Sponsors: DENLINGER , BAKER , BOYD , CLYMER , CREIGHTON , CUTLER , EVERETT , FAIRCHILD , FLECK , GEIST , GINGRICH , HARRIS , HENNESSEY , HESS , KAUFFMAN , MARSICO , MILLARD , MOUL , PICKETT , ROCK , ROHRER , ROSS , SAYLOR , STERN and MURT