

Good morning, my name is Dr. Duane Hagelgans and full-time I am a professor at Millersville University in the Emergency Management Master's program. I am also the Fire Commissioner for Blue Rock Regional Fire District in Millersville, Pennsylvania. In addition to spending almost 30 years as a career firefighter for the Lancaster City Bureau of Fire, retiring as a Battalion Chief, I am a Pennsylvania attorney who has practiced workers' compensation law.

Since the enactment of Act 46 in 2011, better known as Pennsylvania's Cancer Presumption Law for firefighters, workers' compensation costs have skyrocketed for all-volunteer fire departments. For our department covering Millersville Borough and Manor Township in Lancaster County, it has meant being dropped from our insurance provider of choice and moved to the insurer of last resort, The State Workers Insurance Fund (SWIF). In 2012 our department that covers an area of 55 square miles and approximately 29,000 citizens, experienced an increase of almost \$35,000 per year with no other available insurance options. Our department saw the costs rise each year even though we only had minor claims and zero cancer claims were filed. Each subsequent year since the law's passing we have investigated other insurance options and for five years in a row, have found no other options.

With the tremendous increase in our premiums, it would be expected to see an increase in service. Filing a claim for an injured firefighter is not typically an issue. Claims are filed fairly simply with two exceptions. Claims cannot be filed during a weekend and it seems impossible to reach anyone to file a claim up to a half an hour before the published hours end. I have started to wonder if anyone is working in the SWIF offices. I have spent up to 92 minutes stuck in phone trees and on hold never to reach anyone. In addition to the premium increase, we have also been burdened with an unfunded mandate in providing physicals for our firefighters. No provisions have been made to supplement these costs for volunteer departments.

In reflecting in what has happened in the aftermath, by 2014 there were 123 claims with an average expense of about \$113,812 per claim. The majority of the claims, 80.5%, came from the career service departments and more specifically, the Philadelphia area. The most common cancer claim is prostate cancer which by CDC records, shows little to no evidence of environmental influence. Even if prostate cancer is influenced minimally by firefighting activities, 30% of the claims filed due to prostate cancer seems startlingly high. Like every other covered injury in the state of Pennsylvania, there needs to be clear evidence of casualty. The number one claim should be linked clearly by evidence. It should be noted that in Pennsylvania, there are far more volunteers in the fire service than career personnel.

All-volunteer departments experienced a huge increase in cost in insurance services after the enactment of the law. I would like to point out the insurance market prior to the law's passage was extremely weak at best but in actuality, non-existent. I believe that had due diligence been performed during the construction of the law, in regards to the state of the volunteer fire department insurance market, there would have been insight on how the changes would affect the non-existent market. Career and combination departments were not forced from their insurance in 2012 in the same manner that all-volunteer departments were and they did not experience the premium increased felt by the volunteers.

The singular reason that volunteer departments had workers' compensation coverage prior the law was that municipalities had no choice but to include them on their municipal policies. Act 46 has pulled the rug out from under the volunteer fire service and subsequently those costs are trickling down to the tax payers. Even though the usage rates are below the original projections, our rates continue to rise and not fall. Unfortunately, the Act gave carriers a huge unknown for which the premium basis for volunteer

fire departments could not cover. We are paying the price today and there appears to be no relief in sight.

I want to make it exceedingly clear that we all want to see our volunteers taken care of well. They are the lifeblood of the fire service in the state of Pennsylvania. We have more volunteer fire departments than any other state.