



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: August 2, 2012
TO: Group Insurance Board
FROM: David H. Nispel, General Counsel
SUBJECT: Status of Pending Legal Cases

This memo is for informational purposes only. No Board action is required.

This memorandum presents the status of pending or recently settled legal cases involving insurance matters and the Department of Employee Trust Funds (ETF) and the Group Insurance Board (Board). In order to maintain Wisconsin Retirement System (WRS) member confidentiality, the names of the parties and case numbers are not identified in this memorandum.

The purpose of this memorandum is to inform you of litigation in which the Board and ETF are parties or are otherwise involved, not to provide legal advice concerning the cases listed here. Each case is being handled by either an assistant attorney general from the Department of Justice (DOJ) or a private attorney retained by Wisconsin Physicians Service (WPS). If you have any questions about a particular case, I will be able to provide you with the name of the attorney handling the case.

As of August 2, 2012, there are six cases, which can be divided into the following categories:

Circuit Court Cases (2)

ETF (Board not a party) ..... 1
Board and Employee Trust Funds ..... 1

Subrogation Cases Handled by Private Attorney (4)

(per Article XII, Section H, Administrative
Service Agreement with WPS)
Board ..... 4

Reviewed and approved by Robert J. Conlin, Secretary
[Signature] 8/13/12
Signature Date

Table with 3 columns: Board, Mtg Date, Item #. Row 1: GIB, 8.28.12, 8D

## **CIRCUIT COURT CASES**

### **Case No. 1:**

Issue – Member received disability benefits following a motor vehicle accident while on duty.

Summary – ETF provided the member with income continuation, duty disability, and disability retirement benefits for the injuries the member sustained in the accident. Thus, ETF may have a subrogation interest in this matter, depending on how the case is resolved.

Status – ETF is working with a DOJ attorney to confirm and receive its subrogation interest.

Attorney – DOJ attorney.

### **Case No. 2:**

Issue – Insurance provider denied payment for a specified service.

Summary – ETF determined the insurance provider acted within its discretion under the contract and did not exceed its authority in denying payment of coverage for service. The member also has asserted he was the victim of discrimination and retaliation.

Status – On July 12, 2012, WPS was dismissed as a party in the case. It is likely that a new briefing schedule will be established.

Attorney – DOJ attorney.

## **SUBROGATION CASES**

WPS has retained private counsel to handle these cases. No ETF or DOJ attorney is involved in these cases. There are four cases pending in which the Board or ETF has a subrogation interest in an action filed in circuit court by a WRS member because ETF provided benefits to that member following a personal injury.

I will be available at the Board meeting to answer any questions you may have.