

STATE
COMPENSATION
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FUND

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April 29, 2004

The Honorable Richard Alarcón
California State Senate
P.O. Box 942848
Sacramento, CA 94248-0001

Dear Senator Alarcón:

Our office recently received an inquiry from your Staff Director Patrick W. Henning regarding the current status of a workers' compensation claim by a Mr. Larry Nign. Please be advised that we have reviewed the situation carefully and wish to report the following information.

Larry Nign was an employee of a company known as Racecraft. The company was owned by Mr. Nign's father and insured by State Compensation Insurance Fund ("State Fund"). Mr. Nign filed a workers compensation claim in 1989 alleging among other things injury to his lungs. The claim was denied by State Fund on the basis that the injury was not work related.

During the course of the claim, Mr. Nign hired and fired six separate attorneys. The case went to trial in 1997 with Mr. Nign representing himself. The case was tried at the Pomona office of the Workers Compensation Appeals Board before Workers Compensation Judge Rafael Vivero. Judge Vivero found that Mr. Nign did not have an industrial injury and that his claim was therefore not compensable under California's workers' compensation laws. Judge Vivero based his decision on the report of the Agreed Medical Examiner and Mr. Nign's own testimony.

Thereafter, Mr. Nign filed a petition for reconsideration with the WCAB that was subsequently denied. There is no evidence that he filed a Petition for Writ of Review with the Court of Appeal. The statutory period for filing a Writ Petition has long since passed.

Mr. Nign later made allegations to the Department of Insurance, the Los Angeles County District Attorney and the Los Angeles Grand Jury that State Fund and the attorney handling the case for State Fund engaged in fraudulent activity regarding his case before the WCAB. Those allegations were thoroughly reviewed and dismissed by the District Attorney's Office.

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A check with the WCAB shows that there is no current activity on Mr. Nign's case. The matter is closed as far as any activity on the part of State Fund and there are no settlement negotiations.

While Mr. Nign may indeed have serious health problems, his claim that they were work related was seriously examined by our staff as well as physicians certified in pulmonary medicine and found to be invalid. He was given a full hearing by the WCAB and his claim was again found to be invalid. Mr. Nign has exercised all of his rights under California's workers compensation system and there should be no further need to address this matter which has been closed for several years.

I hope that we have responded to any concerns that were raised to you by Mr. Nign. Should you have any additional questions, please contact me

Very truly yours,

Charles W. Savage
Assistant Chief Counsel

CWS: asl

Cc: Pat Quintana, Government Relations Officer