

BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF IDAHO

JULIE YATES,

Claimant,

v.

ENCODER PRODUCTS COMPANY INC.,

Employer,

and

TRAVELERS PROPERTY CASUALTY
COMPANY OF AMERICA,

Surety,

Defendants.

IC 2022-004939

**ORDER DENYING DEFENDANTS'
MOTION FOR RECONSIDERATION**

**FILED JULY 21, 2025
IDAHO INDUSTRIAL COMMISSION**

Order denying Defendants' Motion for Reconsideration.

INTRODUCTION

On March 21, 2025, and pursuant to Idaho Code § 72-718 and Rule 3 of the Judicial Rules of Practice and Procedure under the Idaho Workers' Compensation Law effective September 6, 2023, (JRP), Encoder Products and Travelers Property Casualty Company of America (Defendants) timely seek reconsideration of the Idaho Industrial Commission's (Commission) March 3, 2025, Order adopting the Findings of Fact, Conclusions of Law and Recommendation of the Referee (Decision). Defendants' motion is supported by a Brief in Support of Request for Reconsideration. (Mem. In Supp). On March 28, 2025, Julie Yates (Claimant) filed an attorney fee memorandum (Attorney Fee Memorandum), an Affidavit in Support of Attorney's Fees, and Exhibits A-D. On March 31, 2025, Claimant timely responded with an objection to Defendants' motion for reconsideration. (Cl,'s Resp). On April 4, 2025, Claimant filed a notice of service

indicating that Claimant served her responses to Defendants' 2nd Requests for Production to Claimant, to W. Scott Wigle, attorney for Defendants. (Claimant's April 4, 2025, Notice of Service.) On April 10, 2025, Defendants filed their memorandum in response to Claimant's Attorney Fee Memorandum. (Reply Mem). On April 16, 2025, Claimant filed a Reply to Defendant's Response. (Claimant's Attorney's Fee Reply.)

In the underlying case, Claimant alleged she sustained a compensable occupational disease from chemical exposure while working for Encoder Products Company. FOF, ¶. 2. The Industrial Commission found in her favor, awarding benefits based on consideration of the full record. FOF, ¶. 75.

Defendants request reconsideration, arguing that the Commission improperly weighed medical evidence and relied too heavily on speculative causation. Mem. In Supp., 3. They contend the evidence presented by their expert, Dr. Schumpert, is more credible and that the conclusions of Drs. Ligget and Scroggins are not supported by objective data. *Id.* at. 7. The Defense argues the Commission's analysis of Dr. Schumpert's opinion wrongly tasked Defendants with the burden of proof for medical causation. *Id.* at 9-12. Defendants also dispute the award of temporary total disability (TTD) benefits beginning March 8, 2021, asserting that causation had not yet been medically established at that time. *Id.* at 13. Defendants also contest the decision to award any attorney's fees on the grounds that their denial on April 20, 2022, was appropriate at the time, and the case contains complex facts regarding manifestation, notice and filing date. *Id.* at 16.

Claimant opposes reconsideration, arguing that Defendants fail to identify legal error, newly discovered evidence, or fraud as required by Idaho law. Cl,'s Resp., at 2. She maintains that substantial and competent evidence supports the Commission's Decision, including a thorough analysis of relevant medical literature and expert testimony linking chemical exposure to her

condition. *Id.* at 2. Claimant further asserts that the Defendants’ denial of benefits lacked a good faith basis, noting that Defendants failed to reevaluate their position even after receiving additional causation opinions. *Id.* at 3. She maintains that the Defendants’ motion constitutes a reiteration of arguments previously considered and rejected and thus warrants a denial. *Id.* at 2.

FACTS

1. On March 3, 2025, the Idaho Industrial Commission issued a decision holding that Claimant’s interstitial lung disease (ILD) was a compensable occupation disease caused by exposure to epoxy resins and soldering fumes in her workplace environment. Decision, ¶¶ 60-63. The Commission adopts and incorporates the Findings of Fact written in that opinion. The Commission held Claimant was entitled to past medical care for diagnoses and treatment of her ILD, and TTD benefits from the date of disablement to the date of maximum medical improvement (MMI). *Id.* ¶ 68. However, because Claimant’s illness had not reached MMI, the issues of permanent physical impairment (PPI) and permanent physical disability (PPD) were premature. *Id.* ¶¶ 70, 73.

2. Although the question of causation was ultimately a difficult one, the Commission found the Defendants’ reasons for denying the claim were not reasonable. *Id.* ¶¶ 60; 78-79. Claimant filed for worker’s compensation after Claimant’s physician opined the disease was occupationally caused, and another doctor opined it was “possibly” related. *Id.* ¶¶ 13-16. However, Defendants felt unpersuaded and denied the claim. *Id.* ¶ 21. Only after Claimant continued to pursue the case did Defendants seek out a medical doctor to examine the case and provide an opinion on causation. Defendants also denied the claim as untimely despite receiving notice she had filed a claim for workers’ compensation within 60 days of January 18, 2022, when Dr. Snyder authored a letter establishing the connection between work and Claimant’s ILD. *Id.* ¶¶ 15, 16.

STANDARDS FOR MOTION TO RECONSIDER

3. A decision of the Commission, in the absence of fraud, shall be final and conclusive as to all matters adjudicated, provided that within 20 days from the date of the filing of the decision, any party may move for reconsideration. Idaho Code § 72-718. However, “[i]t is axiomatic that a [party] must present to the Commission new reasons factually and legally to support a hearing on [the] Motion for Rehearing/Reconsideration rather than rehashing evidence previously presented.” *Curtis v. M.H. King Co.*, 142 Idaho 383, 388, 128 P.3d 920 (2005). The Commission is not compelled to make findings on the facts of the case during reconsideration. *Davidson v. H.H. Keim Co., Ltd.*, 110 Idaho 758, 718 P.2d 1196 (1986). A motion for reconsideration must be properly supported by a recitation of the factual findings and/or legal conclusions with which the moving party takes issue. *Escobedo v. Hidden Valley Dairy, LLC*, 012725 IDWC, IC 2022-003635 (Idaho Industrial Commission Decisions, January 27, 2025). However, the Commission is not inclined to re-weigh evidence and arguments during reconsideration simply because the case was not resolved in a party’s favor. *Id.*

DISCUSSION

The Commission’s Decision Did Not Alter the Burden of Proof Applicable to Claimant.

4. Defendants argue that the Commission incorrectly required Defendants to prove that Claimant’s illness was not caused by occupational exposure. As discussed below, the Commission does not find this argument persuasive.

5. As with industrial accident claims, an occupational disease claimant has the burden of proving, to a reasonable degree of medical probability, a causal connection between the condition for which compensation is claimed and an occupational exposure to the substance or conditions which caused the alleged condition. *Hagler v. Micron Technology, Inc.*, 118 Idaho 596,

598, 798 P.2d 55, 57 (1990). Proof sufficient for medical causation requires medical testimony that supports a claimant's claim for compensation to a reasonable degree of medical probability. *Langley v. State, Industrial Special Indemnity Fund*, 126 Idaho 781, 785, 890 P.2d 732, 736 (1995). To prove that a causal relationship is medically probable requires Claimant to demonstrate that there is more medical evidence for the proposition than against it. *Jensen v. City of Pocatello*, 135 Idaho 406, 18 P.3d 211 (2000). The Commission is not required to construe facts liberally in favor of the Claimant when the evidence is conflicting. *Aldrich v. Lamb-Weston, Inc.*, 122 Idaho 361, 834 P.2d 878 (1992).

6. The Commission has not imposed a burden of proof on Defendants in this case. Claimant bore the burden of proving her case, and the Commission's decision expressly cited the applicable standards. Decision, ¶ 41. Factually, Claimant's medical experts did rely in part upon the process of elimination to conclude that Claimant's illness was the result of work exposure to epoxy resins and soldering fumes. "Generally, workup of hypersensitivity lung disease and pulmonary fibrosis is a workup of exclusion, in which laboratory or biopsy results disprove any other specific etiology." Exhibit 32:1767. "[A] clinical picture of interstitial fibrosis or hypersensitivity pneumonitis or occupational asthma is established because of the strength of the association and the elimination of other possible causes of this hypersensitivity." *Id.* Dr. Ligget specifically addressed an extensive workup of diagnostic tests used to rule out non-occupational causes of Claimant's illness. Exhibit 27:1673.

7. While it may superficially resemble shifting the burden of proof, ruling out alternative causes of an injury or illness is permissible. Such reasoning is a way of evaluating the available facts, a function of the medical process of diagnosis, not a matter of burden shifting.

[the Idaho Supreme Court] has found that causation was established even where expert physicians expressed uncertainty about the ultimate cause of the injury,

but where alternative causes were ruled out and where great weight was placed on the claimant's testimony of temporal relation.

Tenny v. Loomis Armored United States, LLC, 168 Idaho 870, 881, 489 P.3d 457, 468 (2021).

8. Defendants did not bear any burden to prove that Claimant became ill from non-work sources. Rather, Claimant's experts appropriately utilized all the evidence and facts available to support the conclusion that Claimant's illness was from occupational exposure, and their opinions were persuasive.

9. Claimant's experts did not exclusively rely upon the elimination of other causes, although it was a major component of their analyses. Dr. Pearle provided a thorough explanation as to how exposure to soldering fumes and colophony can cause interstitial lung disease. Dr. Liggett also observed the significance of exposure to soldering fumes and epoxy resins. When all the evidence is considered, Claimant's experts had sufficient foundation for their opinion on causation and were persuasive.

Claimant Was Not Required to Prove Exposure to a Specific Component of Epoxy Resin to Prove Causation.

10. Defendants contest the Commission's statement that "Dr. Liggett and Dr. Pearle clearly and cogently explain how Claimant's work exposure to epoxies caused Claimant's ILD." Decision, ¶ 60. This objection merely reflects the Defendants' disagreement with the Commission's decision as a whole, and reflects an interpretative difference as to what sort of explanation qualifies as clear and cogent. The objection does not raise any factual issues that must be addressed.

11. Defendants contest the statement made in paragraph 58 that "Both Drs. Pearle and Schumpert explained the mechanism by which those epoxies could cause ILD via allergic reaction → hypersensitivity → inflammation → fibroids." *Id.* ¶ 58.

12. Upon review, while this sentence accurately summarizes Dr. Pearle's position, it

overstated Dr. Schumpert's opinion. Dr. Schumpert's testimony regarding causation did not expressly explain how any substance could cause interstitial lung disease or pulmonary fibrosis. Dr. Schumpert generally described causation of "lung disease" or "asthma." Schumpert Depo. p. 40; Exhibit 29:1718. For instance, in the context of a discussion where he had referenced occupationally induced asthma, he stated: "She's never had dermatitis, so I don't know how she could, without wearing personal protective equipment, develop some kind of lung disease from it without actually developing some kind of skin disease first." Schumpert Depo. p. 40.

13. While Dr. Schumpert did not expressly describe causation as summarized, the primary point of the Commission's reasoning remains intact. Dr. Schumpert stated, "Had use of the epoxy resins been the source of the individual symptoms, I would have expected her to voice complaints of skin rashes, eye irritation, and nasal irritation long before the onset of her pulmonary symptoms." Exhibit 29:1718. Claimant's "individual symptoms" were diagnosed as interstitial lung disease. Dr. Schumpert's statement demonstrates that he viewed allergic reactions as a precedent to illness. It also indicates that he overlooked Claimant's complaints of skin rashes, eye irritation, and nasal irritation in the years preceding her diagnosis. Because Dr. Schumpert's analysis expressly relies upon the assumption that Claimant never had skin sensitivity or dermatitis issues prior to her more significant lung problems, his opinion on the development of her condition remains in question.

The Commission Will Not Reweigh the Evidence.

14. Defendants request that the Commission reweigh the medical testimony submitted in this case. Defendants reargue that Claimant's experts did not provide opinions to the level of specificity necessary to prove a claim.

15. These arguments are already addressed in the Commission's original Decision and the Commission declines to conduct an entirely new analysis of the medical opinions submitted in

this case. The Commission is not inclined to re-weigh evidence and arguments during reconsideration simply because the case was not resolved in a party's favor. *Escobedo v. Hidden Valley Dairy, LLC*, 012725 IDWC, IC 2022-003635 (Idaho Industrial Commission Decisions, January 27, 2025). Were the Commission to review the medical opinions in this case, the analysis would largely resemble what is already written.

16. Therefore, the Commission adopts and incorporates its prior Decision analysis here. To the extent specific arguments have been raised warranting individual consideration, the Commission addresses them elsewhere in this opinion.

The Award of Attorney Fees Is Clarified.

17. Defendants argue that the Commission had no basis to award attorney fees due to the factual complexity and the medical evidence available at the time Surety made its adjusting decision. At the time of the initial adjusting decision, it is pointed out Claimant had the support of the medical opinion of Dr. Snyder, whom the Commission later found was not a persuasive medical expert. FOF ¶ 20. Furthermore, Defendants contend that any lack of investigation was immaterial to an award of attorney fees, that additional investigation would not have changed the outcome, and that when additional investigation was done, it supported a denial. Reply Mem., at. 17.

18. Attorney fees were awarded under Idaho Code § 72-804, which states:

If the commission . . . determines that the employer or his surety contested a claim for compensation made by an injured employee or dependent of a deceased employee without reasonable ground, or that an employer or his surety neglected or refused within a reasonable time after receipt of a written claim for compensation to pay to the injured employee or his dependents the compensation provided by law . . . the employer shall pay reasonable attorney fees in addition to the compensation provided by this law. In all such cases the fees of attorneys employed by injured employees or their dependents shall be fixed by the commission.

19. A surety has a duty to investigate a claim to make a well-founded decision

regarding accepting or denying the same. *Akers v. Circle A Construction, Inc.*, IIC 1998- 007887 (1999). Defendants' grounds for denying a claim must be reasonable both at the time of the denial and in hindsight. *Bostock v. GBR Restaurants*, IIC 2018-008125 (2020).

20. Here, Defendants correctly point out that the question of causation in this case became very complex, and thus they argue the case does not warrant attorney fees. The Commission is not persuaded by this argument.

21. When Claimant initially submitted her claim on February 14, 2022, it was supported by a definitive medical opinion from Dr. Snyder stating Claimant had an occupational disease caused by her work exposure. The Commission's Decision describes Dr. Snyder's opinion as "the weakest due to his lack of expertise in the subject matter and his clear stance as an advocate for his patient," such that the Commission gives his opinion no weight. FOF, ¶ 46.

22. The Commission routinely evaluates the substantive credibility of witnesses, and, consistent with that experience evaluating expert testimony, the Commission found that Dr. Snyder's opinion is not persuasive. The Decision identifies bias in Dr. Snyder's advocacy and acknowledges that he "[did] not specialize in pulmonology, toxicology, epidemiology, or a related field giving him specialized expertise." FOF, ¶ 46. However, Dr. Snyder remains a medical expert competent to provide a medical opinion. The fact that, in our Decision, Dr. Snyder's opinion is deemed weakest compared to the other much more credentialed experts does not provide Defendants with grounds to have rejected his opinion at the time of the denial in 2022. Drs. Liggett, Schumpert, and Pearle had not entered the case when Defendants had denied the claim.

23. The Commission Decision points out Defendants denied the claim based on a preexisting condition, saying the condition arose in 2019. Yet, "Claimant had worked for Employer since 2004, and Defendants knew that." FOF, ¶ 2. We understand that Claimant—who

shared the same knowledge of her employment as Employer/Surety—received medical treatment for ILD with “symptoms as far back as 2019,” and we understand that none of the treatment history was enough to provide Claimant with the knowledge that a claim should be filed. FOF, ¶ 39. The comment on Defendants’ knowledge of Claimant’s employment history should not be interpreted as establishing a heightened standard of knowledge for an occupational disease’s manifestation date under Idaho Code § 72-437. Rather, this shows the Commission’s disapproval for how the Defendants handled their responsibility to investigate the claim.

24. Though this is an extremely atypical claim, the Commission maintains its award of Idaho Code § 72-804 attorney fees. Yet, upon further reflection, the Commission Decision appears to have raised understandable concerns because it did not set parameters for the scope of the Idaho Code § 72-804 attorney fees awarded. As is the custom, the Decision awards Idaho Code § 72-804 attorney fees and the parties were ordered to submit additional briefing under *Hogaboom v. Economy Mattress*, 107 Idaho 13, 684 P.2d 990 (1984), if they could not reach an agreement. Reaching agreement may have appeared startlingly difficult in light of the unusual award of medical benefits at the *Neel* rate, along with future medical benefits to include a possible lung transplant. The parties may not have known where to begin to measure attorney fees.

25. Although the Commission declines to grant reconsideration on the decision to grant Idaho Code § 72-804 attorney fees, the Commission finds that clarifying the scope of its attorney fee award is reasonable. A separate order on attorney fees will soon follow this Order Denying Reconsideration, which will provide the necessary clarification regarding the benefits against which the fees are awarded and measured.

Temporary Disability Benefits Begin Before Manifestation of Disease

26. The Commission Decision holds that “Claimant is entitled to temporary disability benefits from the date of her first disablement and ongoing until she reaches medical stability.”

Decision, ¶ 64. Defendants now request a holding that liability for temporary disability benefits does not commence until the date of manifestation in a case deemed compensable under occupational disease theory.

27. A claimant is entitled to temporary disability income benefits “during the period of recovery.” Idaho Code § 72-408. “The statute does not define ‘period of recovery,’ but [the Idaho Supreme Court has held] ... the period of recovery ends when the worker is medically stable.” *Page v. McCain Foods, Inc.*, 145 Idaho 302, 306, 179 P.3d 265, 269 (2008). The Court has not defined when the period of recovery begins. Generally, it is treated as the beginning of disability. In the event of an occupational disease, disability exists when the disease has caused a worker to be actually and totally incapacitated from performing his work in the last occupation in which injuriously exposed. *See* Idaho Code §§ 72-437, 72-438, 72-102(21)(c). Medical benefits are authorized under Idaho Code § 72-432, and the worker need not prove total incapacitation to obtain medical benefits for an occupational disease. *Mulder v. Liberty Northwest Insurance Company*, 135 Idaho 52, 14 P.3d 372 (2000).

28. In the case of an occupational disease, the cause of action arises at the time of the first manifestation of the disability. *Alexander v. Harcon, Inc.*, 992 P.2d 780, 783, 133 Idaho 785, 788 (2000).

An occupational disease exists for the purposes of the worker's compensation law when it first manifests. . . . it is the manifestation of the occupational disease that triggers the employer's obligation to provide medical services, appliances, and supplies and that triggers the running of the time periods for giving notice to the employer and filing a claim for benefits. I.C. §§ 72-432 and 72-448.

Sundquist v. Precision Steel & Gypsum, Inc., 111 P.3d 135, 141 Idaho 450 (2005). Once a worker has proven his case, he is entitled to medical benefits prior to the date of manifestation, as Defendants have pointed out. *See Wilson v. Preco and Santa Clara Plastics*, 082406 IDWC, IC

03-009276 (Idaho Industrial Commission Decisions, 2006).

29. The question here is whether temporary disability benefits can be owed for a period of time prior to manifestation. As stated above, Claimant had no cause of action until the date of manifestation under her occupational disease theory of recovery. However, manifestation is based on medical diagnosis and a worker's knowledge of an illness's relation to work exposure. It primarily serves to start running the statute of limitations on the issue of an employer's notice under Idaho Code § 72-701. The early stages of an occupational disease, its treatment, and a worker's consequential time away from work may significantly predate manifestation.

30. Entitlement to medical benefits prior to manifestation has been established and it is based on the reasoning that "once all statutory requirements of an occupational disease—including manifestation—are established, there is no bar to compensation for medical treatment received prior to manifestation." *Wilson v. Preco and Santa Clara Plastics*, 082406 IDWC, IC 03-009276 (Idaho Industrial Commission Decisions, 2006). Although no caselaw addresses entitlement to temporary disability benefits prior to manifestation, the *Wilson* case reasoning applies equally to both medical benefits and temporary disability benefits. The *Wilson* case explains that providing medical benefits prior to the date of manifestation is appropriate and:

...parallels the common scenario ensuing when a worker suffers an industrial accident but medical benefits are denied based upon any number of issues, such as medical causation. If the issue of medical causation is ultimately resolved in the worker's favor, the Idaho worker's compensation law requires the employer to provide the injured worker medical benefits retroactive to the date of the industrial accident.

Id. Unlike a workplace injury caused by an accident, which clearly causes no disablement prior to the date of the accident, a worker can suffer temporary total and partial disability from work while sorting out the origin of an occupational disease prior to the date the disease is identified as occupational by a doctor. Manifestation is related to timeliness and determining whether a disease

is pre-existing. Once an occupational disease case is proven timely filed and/or medically caused by the work conditions, the manifestation date will not operate as a bar against temporary disability just as the manifestation date does not operate as a bar to prior medical treatment.

ORDER

Defendants' request for reconsideration is DENIED. Accordingly, on reconsideration the Commission affirms the findings in the Decision and Order. Claimant is entitled to temporary disability benefits from the date of disability. The Commission will address the parties' arguments on Idaho Code § 72-804 attorney fees in a separate Order on Attorneys Fees, and thereby provide clarification regarding the benefits against which the fees are awarded and measured. This order is final and conclusive under Idaho Code § 72-718.

DATED this 21st day of July, 2025.

INDUSTRIAL COMMISSION



Attest:

Kamerron Slay
Commission Secretary

Claire Sharp
Claire Sharp, Chair

Aaron White
Aaron White, Commissioner

Thomas E. Limbaugh
Thomas E. Limbaugh, Commissioner

CERTIFICATE OF SERVICE

I hereby certify that on the 21st day of July, 2025, a true and correct copy of the foregoing **ORDER DENYING DEFENDANTS' MOTION FOR RECONSIDERATION** was served by electronic mail and regular United States mail upon each of the following:

RICHARD WHITEHEAD
PO BOX 1319
COUER D'ALENE ID 83816
richard@whiteheadlaw.net

SCOTT WIGLE
PO BOX 1007
BOISE ID 83701
swigle@bowen-bailey.com

Mary McMenomey