

HOUSE RESOLUTION No. 6014

By Committee on Commerce and Labor

2-22

9 A RESOLUTION concerning workers compensation insurance pre-
10 mium rates; urging legislative hearings regarding workers compensa-
11 tion premium rates and urging the Commissioner of Insurance to ex-
12 ercise greater diligence regarding increases in workers compensation
13 premiums rates.

14
15 WHEREAS, Workers compensation insurance premium rates should
16 be determined primarily by the number of accidents in the workplace
17 and the ability of insurance carriers to effectively do business in the state,
18 and

19 WHEREAS, The number of workplace injuries in the state of Kansas
20 continues to decline; and

21 WHEREAS, The number of workers compensation claims is on par
22 with the surrounding states of Colorado, Missouri, Nebraska and
23 Oklahoma; and

24 WHEREAS, The national council on compensation insurance reports
25 that the state of Kansas remains a good place for workers compensation
26 insurance carriers to make a profit on investment and that the workers
27 compensation market is extremely stable; and

28 WHEREAS, Premium growth has increased for workers compensa-
29 tion insurance carriers in the state of Kansas; and

30 WHEREAS, The national council on compensation insurance reports
31 that the moneys paid to injured workers in Kansas (the Kansas indemnity
32 average) is low compared to surrounding states and well below the na-
33 tional average with Kansas averaging \$15,500 per claim, while Colorado
34 averages \$22,500, Missouri averages \$14,400, Nebraska averages \$16,100
35 and Oklahoma averages \$22,300; and

36 WHEREAS, The majority of workers compensation cases are per-
37 manent partial disabilities and the average cost per case in Kansas is on
38 par with surrounding states and well below the national average; and

39 WHEREAS, The total reported workers compensation indemnity and
40 medical losses increased by only 1.4% between 2005 and 2006; and

41 WHEREAS, Kansas will see a 5.5% increase in overall workers com-
42 pensation premium rates and voluntary filings in surrounding states are
43 Oklahoma - 7.2%, Iowa - 0.3%, Nebraska - 3.9%, Colorado - 8.8% and

1 Missouri - 10.0%: Now, therefore,

2 *Be it resolved by the House of Representatives of the State of Kan-*
3 *sas:* That the House of Representatives finds the 2008 increases in
4 workers compensation premium rates approved by the Commissioner of
5 Insurance to be unjustifiably high and finds it difficult to understand any
6 rationale for such increases; and

7 *Be it further resolved:* That the House Committee on Insurance and
8 Financial Institutions shall conduct hearings regarding the increase in the
9 workers compensation premium rates before the end of the 2008 regular
10 session of the Legislature and prepare a report for the members of the
11 House of Representatives on this issue; and

12 *Be it further resolved:* That the Commissioner of Insurance be invited
13 to appear at such hearings and present information or justification that
14 served as the basis for the 2008 approved rate increases for workers com-
15 pensation premiums; and

16 *Be it further resolved:* That the House of Representatives hereby en-
17 courages the Commissioner of Insurance to exercise greater oversight and
18 increased diligence in reviewing and acting upon any future requests that
19 would increase workers compensation premium rates.

20 *Be it further resolved:* That the Chief Clerk of the House of Repre-
21 sentatives be directed to provide an enrolled copy of this resolution to
22 Sandy Praeger, Kansas Commissioner of Insurance at 420 S.W. 9th Street,
23 Topeka, Kansas 66612.