



KANSAS SELF-INSURERS ASSOCIATION
SERVING THE WORKERS' COMPENSATION NEEDS OF KANSAS EMPLOYERS SINCE 1994

TESTIMONY

TO: SENATE COMMERCE COMMITTEE

FROM: TONY ANDERSEN, DIRECTOR
KANSAS SELF INSURERS ASSOCIATION

RE: SB 187

DATE: FEBRUARY 21, 2013

Chairwoman Lynn, members of the committee, thank you for the opportunity to testify today. My name is Tony Andersen, and I am an attorney with McAnany Van Cleave and Phillips. I am appearing today on behalf of the Kansas Self Insurers Association (KSIA). I am on the Board of KSIA. KSIA represents both public and private employers who self-insure for workers compensation, as well as group funded pools. KSIA strongly supports SB 187.

There are several issues with the current selection and retention processes for workers compensation Administrative Law Judges (ALJs) and Board of Appeal members. These are addressed by SB 187.

First, the current selection process is left to representatives of two groups that do not represent the majority of Kansans. On one side is the AFL-CIO and on the other is the Kansas Chamber. While working in good faith, these groups often find themselves polarized in their views. SB187 would increase the participants in the selection process that share a wider range of views and represent more Kansans affected by the workers compensation system.

Second, with only two organizations involved in the process, only absolute agreement between the two permits any appointment. Thus, a qualified candidate can be excluded by one side or the other for any number of reasons or no reason at all. This can lead to appointment of not the best qualified, but the least objectionable or least well known candidate. With more participants in the process under SB 187, well-qualified candidates should fare better in the selection process.

Third, the current system lacks any security of reappointment for an ALJ or Board member. Judges and Board members are appointed to four year terms. At the end of their term, the ALJ or Board member reapplies for their position. SB 187 creates a mechanism for reappointment. This creates some security for judges and Board members and removes a disincentive to those who would consider serving.

Finally, the financial impact of workers compensation decisions is enormous, and has a direct impact on both employers and employees. It is imperative that we have highly qualified applicants who want to serve in these positions and a process that pulls the most skilled applicants from that pool of candidates. SB 187 accomplishes that objective by increasing the compensation for Judges to make the positions more attractive to potential applicants. This increase is paid entirely by assessments on employers and



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carriers, requiring no money from the State's general fund. Even though this additional cost will be borne by the likes of KSIA's members, KSIA believes this investment is a small price to pay for high quality candidates.

KSIA believes the Kansas workers compensation system will be greatly strengthened by the changes contained in SB 187. KSIA is excited about the opportunity to be a part of selection process and helping ensure that Kansas workers compensation laws are interpreted by a high quality slate of ALJs and Board of Appeal members.

Thank you for the opportunity to appear in support of SB 187. I'll be happy to stand for questions at the appropriate time.