



Senate Committee on Commerce

Testimony in Opposition to Senate Bill 361

Presented by Eric Stafford, Vice President of Government Affairs, Kansas Chamber

Tuesday, March 8, 2022

Madam Chair and members of the committee, my name is Eric Staffor, Vice President of Government Affairs for the Kansas Chamber. We appreciate the opportunity to submit testimony in opposition to Senate Bill 361, which would modify the maximum benefit amount for permanent total disability in the workers compensation system.

Currently in Kansas law, someone who suffers an injury that is designated as a permanent total disability award is entitled to receive up to \$155,000. SB 361 proposes to eliminate the cap on benefits and replaces it with lifetime benefits based on the employee's average weekly wage on the date of injury.

The independent National Council on Compensation Insurance (NCCI) provides data, analyzes industry trends and provides insurance rate impacts on workers compensation policies for states across the country including Kansas.

NCCI has rated this bill and their assessment states "NCCI estimates that if the PTD benefit cap is eliminated, the impact on PTD indemnity claim costs would increase by approximately 210%." The fiscal impact would be a \$14 million increase in premiums for employers, both public and private. This does not include self-insured work comp plans, which would add another \$4 million in premium increases. This amount also does not reflect the potential increase in litigation costs as more workers could seek the additional PTD benefits.

In closing, benefits are just one aspect to the entire workers compensation system, and increases in benefits were included in the comprehensive reforms passed in 2011 that passed the Legislature unanimously at the end of session. Thank you for allowing us to testify in opposition to Senate Bill 361, and I'm happy to answer questions at the appropriate time.