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Senate Committee on Commerce  
March 8, 2022  
Opposing Testimony Written Only on SB 361

Chairman Erickson and Honorable Committee Members,

Thank you for the opportunity to submit written comments on behalf of Kansas Society for Human Resource Management (KS SHRM). For those unfamiliar with KS SHRM, it is a professional organization comprised of 2,300+ HR professionals in Kansas. KS SHRM serves the needs of HR professionals and advances the interests of the HR profession throughout the state. Our members are responsible for developing and implementing workplace policies and practices that comply with federal, state, and local laws and provide guidance to managers at all levels about fair and effective people management practices. Our members serve in the public and private sectors representing unionized and non-unionized businesses of all sizes.

On behalf of KS SHRM and its members, I am here to provide opposition to SB 361, which proposes to eliminate the cap on would eliminate cap on permanent total disability (PTD) in the Workers Compensation Act. In place of the cap the bill would allow an injured worker who is determined to be permanently totally disabled to receive weekly benefits at the rate of the employee's average weekly wage in effect on the date of the injury and continuing for life, or the duration of the disability. The members of KS SHRM oppose the passage of SB 361 for the following reasons:

- The independent National Council on Compensation Insurance (NCCI) provides data, the industry analyst for insurance rate impacts for workers compensation policies for states across the country including Kansas, indicated the cost of SB 361 for Kansas businesses would be \$14 million in increases for premiums on employers, both private and public. It is also important to note that the cost impact does not include self-insured work comp plans, which would add another \$4 million in premium increases in Kansas.
- NCCI also estimates if the PTD benefit cap is eliminated, the impact to indemnify the PTD claim costs would increase by approximately 210%, which is driving the cost referenced above.
- Finally, the amounts referenced above do not reflect the potential increase in litigation costs as more workers could seek the additional PTD benefits.

As such, the members of KS SHRM respectfully ask the committee to oppose SB 361 due to the significant costs it would have for Kansas businesses. Thank you for the opportunity to submit these written comments. If you have any questions, please feel free to reach me at 316-640-1422.