



**Kansas Restaurant and Hospitality Association
Adam Mills
Written Testimony Opposing
House Bill 2487
House Insurance Committee
February 1, 2018**

Mr. Chairman and members of the committee, the Kansas Restaurant and Hospitality Association opposes 2487 because it will increase the cost of workers compensation insurance in Kansas. As a licensed insurance agent and an active manager of our KRHA insurance products, I hope my perspective provides some insight.

The Kansas restaurant industry employs over 137,000 people and nearly one half of every dollar spent on food in Kansas is through one of our members' businesses. Our association provides solutions to our industry for everything from food safety training to our self-insured workers compensation fund. We have successfully managed our insurance fund for 24 years and it is considered one of the most valuable member benefits.

Kansas has some of the most attractive workers compensation insurance rates in the entire United States. KRHA greatly appreciates the legislative and regulatory reforms the Kansas legislature has passed in the recent years. As a self-insured fund, we are then able to pass our savings directly to our members.

HB 2487 would allow a set aside for a workplace accident even though the worker was on the job. Bypassing our current safe guards, such as subrogation, is poor policy and does little to either protect the worker or the integrity of our no-fault system. Additionally, if a set aside were allowed, it would simply create additional complexity, both actuarially and administratively which, in turn, increases costs.

Over the years, the KRHA has appreciated being a part of many business and industry coalitions representing both large, small, chain and independent businesses to improve our workers compensation in Kansas. At first glance, HB 2487 may appear innocuous, but know, its end result will almost certainly be increased costs for Kansas employers.

Thank you for reading my testimony, KRHA stands in opposition.