

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2671

As Amended by Senate Committee on
Commerce

Brief*

HB 2671, as amended, would make changes in workers compensation. The bill would allow issuers issuing workers compensation policies to offer optional occurrence or per claimant, or both, deductibles to policyholders. An occurrence deductible applies only once to a single accident. Under a policy with an occurrence or per claimant, or both, deductible, the employer would be responsible for only the occurrence deductible, even if several workers were injured in the same accident. Current law treats each injured worker as an occurrence, even if multiple workers are injured in the same accident.

The bill would amend the Workers Compensation Act by providing three conditions under which an administrative law judge could dismiss a case after five years:

- That the case has not proceeded to final hearing,
- That a settlement hearing has not occurred, or
- an agreed award under the Workers Compensation Act.

The administrative law judge would be allowed to grant an extension for good cause shown, which would be conclusively presumed in the event that the claimant has not reached maximum medical improvement, provided such motion to extend is filed prior to the five-year limitation. This provision would not affect any future benefits which have been left open upon proper application by an award or settlement.

Background

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Larry Magill, with the Kansas Association of Insurance Agents, testified in support of the HB 2671.

The Senate Committee added the amended language from HB 2753 to the bill. The provisions of HB 2753 would amend the Workers Compensation Act dealing with closure of claims.

Ron Lashowski, attorney, appeared in support of the original bill HB 2753. Jeff Glendenning, Kansas Chamber and Tina Williams of the Kansas Self Insurers Association and the Kansas Restaurant and Hospitality Association also expressed support for HB 2753, as drafted.

Jeff Cooper, an attorney with the Kansas Coalition for Workplace Safety appeared in opposition to the original HB 2753.

The House Committee amended HB 2753 by deleting the original language and inserted the amendatory language provision.

The fiscal note on HB 2753 states the Department of Labor indicates it does not know how many motions would be filed to extend the five-year period; however, the costs of additional hearings to decide these motions would be negligible and could be absorbed within existing resources.

The fiscal note, on the original HB 2671 indicates that under this bill, administrative law judges in the Department of Labor would continue to rule on workers compensation claims and the Department would still consider each injured worker on an individual basis regardless of how the deductible is paid. This bill would increase costs for insurance companies which would likely result in higher workers compensation insurance rates for employers; the precise amount would vary among industries and wage levels.