



Connecticut Business & Industry Association

**Testimony Of
Kyra P. Nesteriak
Government Affairs Manager
Before The
Labor & Public Employees Committee
Legislative Office Building
Hartford, Connecticut
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Good afternoon, my name is Kyra Nesteriak and I am government affairs manager for the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 companies across the state of Connecticut, ranging from large corporations to small businesses with one or two employees. The vast majority of our members have fewer than 50 employees.

We are constantly hearing from our member companies that the high cost of doing business in Connecticut is a major factor in whether or not companies continue to invest and create jobs here or elsewhere. More and more, workers' compensation costs are becoming an increasing factor in this decision. According to the 2005 CBIA Membership Survey, 65% of surveyed Connecticut executives said that workers' compensation costs are key factors in decisions about hiring more workers or company expansion/relocation plans.

During the early 1990's, after much research and deliberation, the Connecticut General Assembly passed sweeping reforms to the state Workers' Compensation Act. This was a successful attempt to bring balance to Connecticut's workers' compensation system.

The reforms touched every aspect of the system. Administrative reforms were made that helped workers be able to get back to work sooner and other reforms brought our benefits more in line with other states. The end result was a workers' compensation system which is more effective and efficient. And the reason that the reforms work so well is because they were passed as a complete package. That is why the business community remains united in our efforts to maintain the reforms in their entirety, and in our opposition to any new costly measures.

CBIA opposes SB 652 AAC the Definition of Presumptive Dependents Under the Workers' Compensation Act.

We believe that changing the wording from date of injury to date of death could have significant ramifications. Currently, if the claimant is not married and has no children at the time of injury and subsequently dies from the injury, workers' compensation is only obligated to pay for the funeral expenses. This measure appears to indicate that if the

claimant got married any time before they passed away, then the spouse would receive workers' compensation spousal benefits for the rest of their life. Furthermore, this measure is retroactive to 1996 claims. This could potentially create the situation where previously closed files that would qualify under this more generous interpretation would now have to be reopened. This measure could become administratively burdensome and result in substantial additional costs.

It is important to remember that although some of the benefits were reduced during the reforms, Connecticut's system is still one of the most generous in the nation. According to the Actuarial and Technical Solutions, Inc. 2006 comparison of 45 states, Connecticut workers' compensation costs rank as the 9th highest in the nation.

Therefore, we urge the committee to reject SB 652, which will add additional costs to the workers' compensation system.

Thank you for the opportunity to comment today.