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Over 111 Years of Leadership

Testimony of the Middlesex County Chamber of Commerce
In Opposition of All Proposals Regarding the Repeal of
Workers' Compensation Reforms

Tuesday, January 30, 2007
Labor Committee

The Chamber has become aware of proposals to repeal the state's workers' compensation reforms, specifically the expansion or awards for scarring and the removal of current limits on discretionary benefits. Both of these reform-repealing actions would return Connecticut's system to when it was far too costly and inefficient. Responding to that crisis of the early 1990's, state legislators enacted many reforms to reduce system costs and make the system more fair, mere efficient and more cost-effective.

These reforms did what they were intended to, and since then, workers' compensation costs in Connecticut have been reduced by an average of 50% and the state's workers' compensation benefits have remained among the best in the United States, yet our costs are still among the highest in the nation. That is why we need to maintain the reforms.

There is no reason why the awards for scarring need to be expanded or changed in any way, especially if they will apply to any scar in any location on the claimant's body. There is also no reason why a claimant whose injury doesn't have an impact on their ability to earn a living be awarded in the same capacity as a claimant whose does.

In regards to discretionary benefits, not only is Connecticut the only state in the nation to award these additional benefits, it is also one of the highest cost states. If caps are removed from discretionary benefits there will be a significant increase (8%-20%) in workers' compensation costs. Such increases would cost millions of dollars in higher insurance premiums for Connecticut businesses.

For our state leaders to allow any such repeal on the reforms that were passed in the early 1990's sends the wrong message to businesses already in the state and those thinking about coming here. Connecticut needs to be competitive and our state leaders need to stop passing legislation that only drives these valuable businesses out.

The Middlesex County Chamber of Commerce strongly opposed the repeal of any part of the workers' compensation reforms that are currently in place. There will always be a number of issues threatening our economy, but this matter is one that should be left alone. We urge our state legislators to reject any attempts to overturn the state's invaluable workers' compensation reforms.

Robert Fusari
Chairman

Larry McHugh
President