

CONNECTICUT
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ASSOCIATION



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Raised Bill 6683
Public Hearing: 3-20-09

TO: MEMBERS OF THE JUDICIARY COMMITTEE
FROM: CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)
DATE: MARCH 20, 2009

RE: SUPPORT OF RAISED BILL 6683 – AN ACT CONCERNING THE RESOLUTION OF
CLAIMS INVOLVING WORKERS' COMPENSATION LIENS

**TESTIMONY OF WILLIAM J SWEENEY
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I appear here today on behalf of the Connecticut Trial Lawyers and the many clients we represent to right a wrong that is being perpetrated on the insurance consumers of Connecticut because of the unreasonableness of worker compensation insurance carriers in not being willing to compromise and or make a contribution because of the windfall they have as a result of legislation currently in effect that it allows them a lien on proceeds received from third party tortfeasors without any contribution for this result.

It had been the common practice until recently that when settling workers' compensation liens in third party cases that the workers' comp carrier generally made a contribution towards the settlement by making a contribution to the claimant's attorneys fees for their getting back what it had paid out in workers comp benefits to someone injured as a result of third party negligence and for which a claim had been made. The contribution was taken not by the attorney, but rather passed on to the claimant. Now we are finding almost universally the comp carriers refuse to compromise in a meaningful way causing unnecessary delay in the resolution of claims that the parties have settled in theory but for the comp lien. The adjusters are calling

the shots and there is no doubt that they have all attended the same seminar and now refuse to make any thing but a token reduction the comp liens. I have had personal conversations with adjusters who have said "Connecticut doesn't require any reduction so we are not going to give any". This is contrary to the way these case were settled in the past and I am afraid may have become an industry position. The workers' compensation insurers' position is unfair to the claimant and places unnecessary strain on the system without justifiable grounds other than profit to the carriers. I believe that this amendment is needed because the current law: (1) delays settlement, (2) allows the carrier reaps a windfall with no cost associated with it by statute, (3) there is no provision for reduction of the lien for when the claimant is not be being made whole i.e where there is limited insurance or the claimant's comparative fault reduces the value of the case yet the comp carrier insists on 100 % return (4) this use of the statute is relatively new practice (5) judges are powerless to require a reduction (6) this has now become an industry practice that will continue unless legislation mandates a change. We think the proposed legislation while not perfect provides a simplified system for encouraging the reduction that should be allowed and will apply to al cases across the board.

WE RESPECTFULLY URGE YOU TO SUPPORT RAISED BILL 6683. Thank you.