



Property Casualty Insurers
Association of America

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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. 6408 - An Act Concerning Employees Concerning Post-Traumatic Stress Disorder and the Workers' Compensation Act

LABOR AND PUBLIC EMPLOYEES COMMITTEE

February 24, 2011

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 6408 which would require workers compensation coverage for post-traumatic stress disorder (PTSD). PCI is a national trade association representing over 1,000 insurance companies. In Connecticut, PCI members write 36% of the workers' compensation insurance in the state.

PCI opposes this legislation because it would increase workers compensation costs for Connecticut businesses. The Connecticut Workers Compensation system, as it is currently structured provides a high level of benefits to injured employees, supported by high employer costs. However, workers compensation costs are becoming mission critical for business owners. The Oregon Department of Commerce & Business Services provides a biannual "Premium Rate Ranking." This report provides employers with information on individual state costs. In 2010, Connecticut's index rate of \$2.55 placed our state as the 6th highest cost of 51 jurisdictions analyzed. The previous study by Oregon in 2008 had placed Connecticut at the 20th highest. This bill would exacerbate the problem of rising workers compensation costs in Connecticut by requiring coverage for PTSD.

Current law bars recovery for mental injuries unless they arise from a physical injury or occupational disease. This bill would allow recovery for PTSD without the requisite physical injury or occupational disease. If this legislation passes, it will be difficult for employers to refute claims that PTSD originated while the employee has been engaged in the line of the employee's duty and this will likely become an area rife with fraud. Employers will be required to pay for bogus or non-work related PTSD claims and workers compensation costs will increase as a result.

In summary, this bill proposes escalating costs for Connecticut's workers compensation system. If enacted, this bill could negatively impact Connecticut's ability to sustain employers and to attract new employers to the state.

For the foregoing reason, PCI urges your Committee to not favorably advance H.B.6408.