

February 16, 2016

Testimony of Susan Tallo, Claims Manager, DATTCO, Inc.

Labor and Public Employees Committee, Tuesday, February 16, 2016

H.B. No. 5075 (RAISED) AN ACT CONCERNING WORKERS' COMPENSATION.

Senator Gomes, Representative Tercyak, and members of the Labor and Public Employees Committee,

My name is Susan Tallo, Claims Manager at DATTCO, Inc. I would like to offer testimony in support of H.B. No. 5075 (RAISED) AN ACT CONCERNING WORKERS' COMPENSATION.

DATTCO, Inc. is a Transportation/Commercial Sales and Service company with 21 locations throughout Connecticut and 2200 employees. While our main offices are located in New Britain, we have 20 additional offices and operations in 7 out of the 8 counties in Connecticut.

Workers' Compensation is essential insurance coverage provided by employers for employees who are injured on the job. We support the intent of workers' compensation to provide medical coverage and lost wages for employees injured in the workplace.

The purpose of this testimony is to bring to your attention, situations that exist where the workers' compensation system is not functioning as intended. As a result, businesses (and their employees) across the state are experiencing significant and debilitating financial strains

One of the biggest struggles we face as an employer are the costs associated with workers compensation due to the current fee schedules, inconsistent rating charts and broad definition of compensability. The result of these issues is extremely high claim costs and high reserving policies on the part of the insurers. High reserves and claim costs driver up collateral needs which in effect strangles a business' ability to expand, make capital improvements, increase wages or anything that requires capital.

Additionally, high claim costs affect a business's experience mod factor. This factor is designated by NCCI and derived from claim costs. A high experience mod can prohibit a contractor from bidding on new business further prohibiting growth.

The current costs associated with CT workers compensation system can and will prohibit business's from starting up or will severely hinder them resulting in failure or departure from the state.

In closing, we believe it is essential that the current worker's compensation system be reviewed and that modernizations are made that correct the deficiencies that are harming businesses and that are not serving employees well.

Thank you for your time and consideration.

Susan Tallo
Claims Manager
DATTCO, Inc.