

**Statement
Insurance Association of Connecticut
Labor & Public Employees Committee**

February 3, 2016

**HB 5449 AN ACT CONCERNING LIABILITY FOR UNFAIR INSURANCE
PRACTICES IN WORKERS' COMPENSATION CLAIMS**

My name is Dallas Dodge, and I serve as Counsel to the Insurance Association of Connecticut ("IAC"). The IAC opposes **HB 5449 AN ACT CONCERNING LIABILITY FOR UNFAIR INSURANCE PRACTICES IN WORKERS' COMPENSATION CLAIMS.**

The IAC's principle objection to HB 5449 is that section 31-300, the very section of the General Statutes that HB 5449 seeks to amend, already provides a generous benefit to workers' compensation claimants in the event of an unreasonable denial or delay in the processing of claims. Under the statute as it exists today, a claimant can obtain both attorney's fees and twelve percent interest on improperly withheld compensation. HB 5449 would, in essence permit double recovery, by giving claimants an additional cause of action that also permits the recovery of attorney's fees, as well as economic and noneconomic damages.

HB 5449 will increase the cost of doing business in Connecticut by driving up insurance premiums. This is because, in addition to the substantial remedy already available under section 31-300, House Bill 5449 would permit recovery for purely mental damages and pain and suffering that are untethered to a physical injury. Such damages are inherently speculative and subjective by nature. HB 5449 would have the effect of discouraging employers and insurers from contesting claims that they believe are illegitimate, non-meritorious or even fraudulent.

Workers' compensation is premised on a "Grand Bargain" — employers benefit from reduced financial liability for work-related injuries and diseases, and in return employees benefit from a no-fault system in which they receive prompt medical care and disability pay for injuries at work. Connecticut's workers compensation system is one of the most generous and fair

systems in the entire country. House Bill 5449, however, would undermine this grand bargain by unfairly discouraging employers and insurers from contesting illegitimate and non-compensable claims.

Thank you for the opportunity to testify. For the reasons set forth above, the IAC urges you to reject HB 5449.