



UTILITY CONTRACTORS ASSOCIATION OF CONNECTICUT

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Senate Bill 101, An Act Concerning Workers' Compensation Insurance and Sole Proprietors

Labor and Public Employees Committee

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The Utility Contractors Association of Connecticut (UCAC) represents the underground utility and site work construction industry in Connecticut. UCAC is comprised of contractors, vendors, suppliers and manufacturers who support the utility contracting and construction industry. UCAC contractor members perform work to improve and enhance the utility infrastructure.

UCAC is **opposed** to Senate Bill 101 and respectfully requests that the Labor and Public Employees Committee not act on the bill.

State law prohibits the state or municipalities from contracting with anyone without workers' compensation insurance and who owes the state workers' compensation payments. The law has long protected public owners so in case someone is injured on a project the owner will be protected and not exposed to liability for injuries to the construction contractor's employees.

Senate Bill 101 would amend well-established state law concerning insurance requirements for contractors on public works contracts. The bill would establish an exception to current law, allowing a sole proprietor without worker's compensation insurance to contract with the state or a municipality, provided the contractor does not utilize any subcontractor or lower tier subcontractor in performing the contract, is not acting as a principal employer, has not elected to be covered by the Workers' Compensation Act, and has liability insurance in lieu of workers' compensation insurance.

Senate Bill 101 could have significant potential unintended consequences. It would put the state at risk of potential exposure to contractors without sufficient capacity to perform or adequate protection from liability. Given the state's current fiscal condition and projected budget deficits, neither the state nor taxpayers are in a position to afford this potential risk.

Additionally, the bill would tilt the balance of a long-standing level playing field, making it more difficult for contractors to compete for limited work opportunities and put legitimate contractors at a significant competitive disadvantage.

For any questions or additional information, please contact Matthew Hallisey, UCAC Executive Director, at (860) 978-7346.