



To Members of the Committee on Labor and Public Employees

March 11, 2021 Public Hearing

RE: H. 6595, S.1002 --- Workers' Compensation Mandates

### **STATEMENT IN OPPOSITION TO H. 6595, S. 1002**

The National Association of Mutual Insurance Companies (NAMIC)<sup>1</sup> and its members, thank you for the opportunity to express strong opposition to legislation referenced above and urge no further action.

This bill would provide that there is a rebuttable presumption that an employee who contracts COVID-19 has contracted the virus in the course of employment and because of that employment.

This pandemic has touched the lives of every American and none more so than those who have contracted COVID-19 and those who have lost a loved one to this virus. While the intent of this provision is well-meaning, its effects may be devastating to Connecticut's workers' compensation system.

Clearly this will result in significantly higher costs. However, we cannot reasonably create an accurate estimate on the financial impact this provision would have on the financial fitness of the workers' compensation system and premiums going forward, for these reasons:

- a) Despite great progress in vaccination distributions, this public health emergency is ongoing and there is no firm consensus as to when it will end<sup>2</sup>, nor is there a definitive understanding of the additional variants of the virus<sup>3</sup>;
- b) Medical researchers do not know the full extent of future COVID-related health issues for those who contract the virus. According to the renowned Mayo Clinic – "*The virus*

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<sup>1</sup> The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of more than 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC members lead the personal lines sector representing 66 percent of the homeowner's insurance market and 53 percent of the auto market.

<sup>2</sup> [The coronavirus is here to stay — here's what that means \(nature.com\)](#) 02/16/21

<sup>3</sup> ['When will it end?': How a changing virus is reshaping scientists' views on COVID-19 | Reuters](#) 03/03/21

*can damage the lungs, heart and brain, which increases the risk of long-term health problems.”<sup>4</sup>*

- c) A presumption that **any** employee in the state of Connecticut had contracted COVID-19 in the workplace will necessarily add to the number claims.

Fundamental to how insurance benefits society is the principle that by spreading risk over a larger pool to cover the claims of a smaller pool of those who experience the risk will reduce premiums for all. This legislation turns that principle on its head by providing a presumption and coverage for a risk that is virtually universal in scope.

Accordingly, this provision would likely generate a significant increase of claims and cause claims unrelated to work to be accepted as compensable; the result of which will cause workers’ compensation costs to significantly increase and threaten the affordability of workers’ compensation insurance.

Likewise, the expansion of current remedies concerning coverage for mental or emotional impairments will generate a significant increase of claims and cause claims unrelated to work to be accepted as compensable; the result of which will cause workers’ compensation costs to significantly increase and threaten the affordability of workers’ compensation insurance.

While we all recognize the service and bravery of the men and women in “frontline” professions of healthcare and law enforcement, Connecticut’s current workers’ compensation claims and benefits construct regarding mental or emotional impairments supports sound public health policy principles that protect workers. Appropriately, current law in Connecticut permits workplace stress-related claims to instances where the mental injury was caused by a physical injury or occupational disease. If mental or emotional impairments were to become compensable injuries, any pre-existing mental or emotional condition, including depression, general anxiety, social anxiety, separation anxiety, stress-related disorders, mood disorders, attention deficit hyperactivity disorder, sleep disorders, eating disorders, or substance abuse disorders aggravated by an employee’s employment would be compensable. Employees who alleged such a claim would be eligible for indemnity and medical benefits throughout their life.

There are additional provisions in this bill that NAMIC opposes:

- Current law already prohibits employers from discharging or discriminating against any employee because the employee has filed a claim for workers’ compensation benefits. Additional language will result in unnecessary and frivolous litigation the costs of which would ultimately be borne by Connecticut’s businesses in the form of higher workers’ compensation rates.
- Imposing new requirements on employers and insurers to file a “notice of controversy” when contesting the reasonableness of medical care, and to allow individuals who are not a party to the claim to request hearings is unnecessary. The effect would be to increase the number of hearings, which will lead to unnecessary delays.

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<sup>4</sup> [COVID-19 \(coronavirus\): Long-term effects - Mayo Clinic](#) 11/17/20

- The proposed 400% increase in burial expense benefits is simply unreasonable. Likewise, retroactively applying this increase to deaths during these past 30 years is extremely costly and unnecessary.

NAMIC cautions legislators that the unintended consequences of approving these drastic changes to the workers' compensation system will do more harm than good and are unnecessary given the current protections afforded to Connecticut workers. Thank you for your consideration.

Respectfully Submitted,

Rory Whelan

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National Association of Mutual Insurance Companies