

Oregon State Legislature
Oregon State Capitol
House Committee on Business and Labor
900 Court Street NE
Salem, OR 97301

March 23, 2015

Sent via email to: matthew.puckett@state.or.us

Re: HB 3114, WC claims submission deadline - NAMIC's Written Testimony in Opposition

Dear Representative Holvey, Chair; Representative Barton, Vice-Chair; Representative Kennemer, Vice-Chair; and members of the House Committee on Business and Labor:

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to the committee for the March 23, 2015 public hearing. Unfortunately, I will be in another state at a previously scheduled legislative meeting at the time of this hearing, so I will be unavailable to attend. Please accept these written comments in lieu of my testimony at the hearing. This letter need not be formally read into the committee hearing record, but please reference the letter as a submission to the committee at the hearing.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

The 1,300 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$208 billion in annual premiums, accounting for 48 percent of the automobile/homeowners market and 33 percent of the business insurance market. NAMIC has 153 members who write property/casualty insurance in the State of Oregon, which represents 46 percent of the insurance marketplace.

Through our advocacy programs we promote public policy solutions that benefit NAMIC companies and the consumers we serve. Our educational programs enable us to become better leaders in our companies and the insurance industry for the benefit of our policyholders.

Although NAMIC appreciates the importance of providing injured workers with reasonable time to submit their workers' compensation claim after they have received a denial of their health insurance coverage claim, NAMIC is concerned that the proposed legislation could be detrimental to injured workers and employers. Specifically, injured workers need prompt medical review of their injuries and timely medical treatment in order to mitigate the adverse impact of their injuries, reduce potential exacerbation of their medical problem, and expedite their return to work.

Pursuant to HB 3114, an injured worker could delay submission of their workers' compensation claim until 1 year after the denial of their claim to the health insurance company. Since, neither the injured worker nor the workers' compensation insurer can control how long the health insurer will take to investigate the claim and issue a formal denial, a significant amount of time could pass before the 1 year filing deadline for the workers' compensation claim begins, which could lead to unnecessary additional medical costs for the injured worker and the employer. Delaying evaluation of the work related injury and medical treatment is in no one's best interest.

NAMIC is also concerned that the proposed claims submission deadline in HB 3114 could adversely impact an employer's and their workers' compensation insurer's timely access to information necessary to properly and thoroughly evaluate the worker's injuries to determine if they are work related and to diagnosis the scope of the medical injuries. Employers and workers' compensation insurers should not be prejudiced in their ability to investigate workers' compensation claims, and comply with their legal duties to injured workers pursuant to the workers' compensation statute.

Additionally, HB 3114 will needlessly create administrative burdens and costs for employers and workers' compensation carriers, because they will be forced to keep claims files open longer as a result of the extended filing deadline. These new administrative expenses will be insurance rate cost-drivers that could adversely impact affordability of workers' compensation insurance for employers.

NAMIC is concerned that the proposed claims filing delay could hinder employers in their ability to timely resolve potential workplace hazards that could expose additional employees to injury. When an injured worker submits a workers' compensation claim, the employer and insurer promptly investigate the claim and the cause of the alleged injury. As a consequence of processing the workers' compensation claim, the employer may uncover a previously unforeseen hazard that they need to remediate. Delaying the filing of the workers' compensation claims could end up leading to more workplace injuries.

Finally, NAMIC is concerned that the proposed legislation could make it more difficult for workers' compensation insurers to provide employers with insurance rates that accurately reflect the employer's claims exposure. Delaying workers' compensation claims filings could skew an insurer's evaluation of the employer's loss experience history.

For the aforementioned reasons, NAMIC respectfully requests that the committee **VOTE NO on HB 3114 – delaying the filing of workers' compensation claims is rife with unintended adverse consequences for injured workers, employers, and insurers.**

Thank you for your time and consideration of NAMIC's written testimony. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you have any questions pertaining to my written testimony.

Respectfully,



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NAMIC's Senior Director State Affairs -Western Region