

TESTIMONY – H.197 Hickok & Boardman Insurance Group

By: Lindsey Farrar, RWCS & Jennifer Barrett, RWCS, CRIS

Jen and I are Risk Managers at Hickok & Boardman Insurance Group. Our sole role is working with our Clients to help them in managing their workers compensation exposure. We ensure on a daily basis that employees are provided with a safe work place, and if and when an injury occurs, we ensure they get the medical care necessary to get them on the road to recovery and back to being a productive employee. We are both licensed adjusters, and between the both of us have 15+ years' experience in the workers compensation and insurance industry.

We work with numerous Municipalities (large and small), and got wind of this bill just a week ago. While we agree on the concept for the need of mental health coverage for traumatic events in which emergency responders face, we feel this proposed bill may need some further review prior to enacting.

We have several concerns with this bill the way it's currently written, which are bulleted below.

1. Broad language – up for interpretation which in the WC world is alarming. Open ended timeframe, not relative to one specific event.
2. There is no way to manage this risk from a W/C perspective. We can't pre-screen employees for pre-disposed mental health issues. What's pre-existing vs new? Many Police officers have served overseas.
3. There is a strong presumption in this bill, vs a burden to prove PTSD occurred like other w/c injuries/illness.
4. There is no way to do a diagnostic to determine if issues have resolved, as like a fracture. Medical exposure and wages could be open ended, and it's very difficult to put a value on.
5. This bill appears to provide extended coverage for mental health disability and fatality benefits for suicide.

These concerns come with a significant cost to the workers compensation system, and therefore the tax payers as well. Workers compensation is rated based on classification codes and payroll as well as claim experience. For example, if the classification code for police officers is currently 3.21 per 100 of payroll, this proposed legislation could add significant cost to the underlying rates. This bill could also push voluntary carrier to discontinue writing this line of business, forcing local municipalities into the assigned risk pool (the market of last resort) with rates over 5.00 per 100 of payroll.

We believe there are too many unanswered questions to make this proposal law this year. We instead encourage the legislature to form a study committee with legislative, local and industry leaders to understand the full impact of this proposal.