

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairman Donald Dahl at 9:00 a.m. on March 12, 2003 in Room 243-N of the Capitol.

All members were present except: Representative Rob Boyer, Excused  
Representative Broderick Henderson, Excused  
Representative Rick Rehorn, Excused  
Representative Stephanie Sharp, Excused  
Representative Dale Swenson, Excused

Committee staff present: Jerry Ann Donaldson, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Rena Jefferies, Revisor of Statutes  
June Evans, Secretary

Conferees appearing before the committee: Brad Smoot, Legislative Counsel, The American Insurance Association  
Terry Leatherman, Vice President of Legislative Affairs, Kansas Chamber of Commerce and Industry  
Philip S. Harness, Acting Director of Workers Compensation, Kansas Department of Human Resources

Others attending: See attached sheet

The Chairman called the meeting to order at 9:00 a.m. and announced that there would be no meetings on March 13<sup>th</sup> or 14<sup>th</sup>.

The Chairman opened the hearing on **SB 133 - Removing open claim reporting requirement from workers compensation act.**

Staff gave a briefing on **SB 133** stating there were four changes in the bill.

Brad Smoot, Legislative Counsel, The American Insurance Association, testified as a proponent to **SB 133**. This bill reduces the burdens of insurers, self-insureds and group funded pools to report claims data. Previous law required such payers to collect and submit open as well as closed claims, even though open files are of little value to the state in analyzing claim trends (Attachment 1).

Terry Leatherman, Vice President of Legislative Affairs, Kansas Chamber of Commerce and Industry, a proponent, testified on **SB 133**. In the decade this statute has been in existence, it could be questioned whether the information gathered by the effort has justified the cost and regulatory compliance requirements placed on Kansas business (Attachment 2).

CONTINUATION SHEET

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Philip S. Harness, Acting Director of Workers Compensation, was neutral to **SB 133**, stating it is both more desirable and affordable for both the Division of Workers Compensation and the insurers to collect and report claims cost information on a yearly basis. The Division of Workers Compensation is interested in the cost data of the closed cases and only in aggregate amounts. Removing the language regarding open claims and the mandate to collect payment data more than once a year would allow the Division to focus its resources on claims. The mandate to collect payment data more than once a year would allow the Division to focus its resources on claims at the end of their cycle. It is more efficient and more valid, from a statistical point of view, to use a representative sample of claims for analyzing the distribution of workers compensation costs in Kansas on an annual, rather than a weekly basis, and on claims that have been closed (Attachment 3).

The Chairman closed the hearing on **SB 133**.

After discussion, Representative Ruff moved and Representative Hill seconded to move SB 133 out of committee favorably and place on the Consent Calendar. The motion carried.

The meeting adjourned at 9:25 a.m. The next meeting will be March 18, 2003.