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National Council of Insurance Legislators (NCOIL)

Resolution Opposing Federal Monitoring of the State-Based Workers' Compensation System

****Sponsored by Rep. Tom Oliverson, M.D. (TX)***

****Co-Sponsor – Rep. Susan Westrom (KY)***

****Adopted by the NCOIL Workers' Compensation Insurance Committee on November 18, 2021 and the NCOIL Executive Committee on November 20, 2021.***

WHEREAS, the National Council of Insurance Legislators (NCOIL) supports state workers' compensation laws that provide an injured worker with all reasonable and necessary medical treatment of the nature and intensity to promote expeditious healing and return to work, and provide protection against lost wages and a fair level of income benefits during disability, while encouraging return to work, all at a cost affordable to employers; and

WHEREAS, the state-based workers' compensation system has proven over the near century of its existence to constitute an effective means of protecting injured workers against the costs of workplace injury and protecting employers against the unlimited and unpredictable costs of workplace liability; and

WHEREAS, the state-based workers' compensation system, its administration, legal precedents, funding and fiscal accountability is intricately linked to each state's economy and provides the ability to experiment creatively and borrow from experiences in other states; and

WHEREAS, on September 10, 2021, the U.S. House Education and Labor Committee voted to approve language proposed for inclusion in the FY 2022 budget reconciliation bill that would provide funding and authority to the U.S. Department of Labor Office of Workers' Compensation Programs (OWCP) for "monitoring of State workers' compensation programs and preparation of an annual report"; and

WHEREAS, NCOIL opposes a federal workers' compensation monitoring and reporting program as it could lead to one-size-fits-all federal benefit delivery rules that inherently will interfere with state benefit systems, increase system costs nationwide, and frustrate the ability of the states to experiment creatively in their efforts of the states to contain costs; and

WHEREAS, NCOIL opposes the imposition of federal monitoring and reporting on the state workers' compensation system that could create unnecessary imbalances and unintended consequences for a system that has been operating effectively for decades; and

WHEREAS, state workers' compensation systems are already subject to robust monitoring and reporting requirements at the state level; and

WHEREAS, NCOIL supports a state-based benefit delivery system which reflects the nature and cost of employment in individual states and facilitates timely response and ability to tailor remedies to state-specific conditions;

WHEREAS, NCOIL supports the rights of states and their respective legislatures and stakeholders to monitor the performance of state-based workers' compensation systems; and

NOW, THEREFORE, BE IT RESOLVED that NCOIL reiterates its support for the state-based workers' compensation system and opposition to legislation that would broaden the federal role in that system; and

BE IT FURTHER RESOLVED that NCOIL opposes the enactment of language that would add a responsibility to the federal OWCP to monitor state workers' compensation programs; and

BE IT FINALLY RESOLVED that a copy of this Resolution shall be distributed to the Members of the U.S. House Committee on Education and Labor; Members of the U.S. Senate Committee on Health, Education, Labor and Pensions; and the Chairs of the Committees of insurance jurisdiction in each Legislative Chamber of each State.
