



Workers' Compensation

States' workers' compensation systems have continued to improve for decades based on the unique economies, business environments and traditions of each state.

NAMIC opposes the creation of duplicative and conflicting federal interference in the state administration of workers' compensation. The imposition of federal requirements on the state-based system would create unnecessary imbalances and unintended consequences for a system that has been operating effectively for decades.

Background

The performance of state-based workers' compensation systems is the responsibility of the states and their respective legislatures and stakeholders. It is not the province of Congress to interfere in the state administration of workers' compensation.

National Commission on State Workers' Compensation Laws Act

H.R. 623 would establish a federal commission to develop recommendations that will dramatically impact state workers' compensation laws, as well as the employer-funded state workers' compensation systems. This bill fails to take into account that states have effectively modernized their systems. Based on improved research, states have employed an array of innovative tools and best practices. The state workers' compensation system is fundamentally sound and a valued institution in our nation's economy.

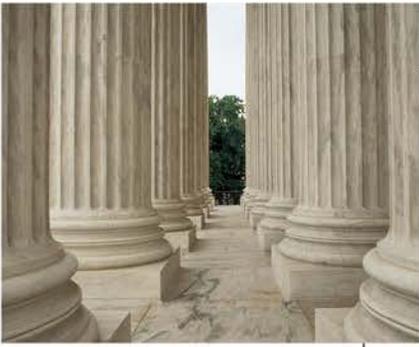
There is no need for a new national study. Each state reviews its own workers' compensation laws and the application of the laws, to continuously improve the state's system. The efficiency and effectiveness of individual systems are examined by state legislatures each year through legislative or regulatory proposals.

24-Hour Insurance Coverage

During the contentious legislative debate over national healthcare reform, efforts were made to attach an amendment regarding so-called "24-hour insurance coverage." 24-hour insurance coverage refers to insurance products that cover both work-related and non-work-related healthcare situation – around the clock.

24-hour coverage has been proposed as a type of healthcare system reform that integrates the health coverage and benefits currently offered by public and private insurance programs, state workers' compensation systems, and the medical component of automobile insurance.

NAMIC and the property/casualty mutual insurance industry oppose the concept of 24-hour insurance coverage. Mutual insurance companies across the country are successfully and comprehensively providing workers compensation and automobile insurance coverage to millions of Americans. Combining general health coverage, workers compensation coverage, and automobile coverage into a single product would



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NAMIC is the largest and most diverse national property/casualty insurance trade and political advocacy association in the United States. Its 1,400 member companies write all lines of property/casualty insurance business and include small, single-state, regional, and national carriers accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market. Since its inception in 1895, NAMIC has been advocating for a strong and vibrant insurance industry.

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affect hundreds of mutual insurance companies – who provide solely property/casualty and not health insurance. Such a plan could result in increased costs for mutual insurers and their customers, regulatory confusion, and lack of effective and efficient insurance coverage available.

Repeal of McCarran-Ferguson limited antitrust exemption for insurers

The McCarran-Ferguson limited antitrust exemption serves to make the industry more competitive, not less. Under the McCarran-Ferguson Act, insurers are subject to a comprehensive state-level system of regulation, consumer protections, and antitrust enforcement. Repeal or limitation of the McCarran-Ferguson limited exemption would reduce competition, increase insurance costs, and reduce availability for some high-risk coverages. Specifically, changes could imperil the ability of workers' compensation insurers to exchange critical data, endangering market participation by smaller insurers and making it more difficult for carriers to enter new markets.

Expansion of the Federal Black Lung Program

The Federal Black Lung Program facilitates benefits to current and former coal miners and their families, providing payments and medical benefits to coal miners totally disabled from pneumoconiosis (black lung disease) arising from their employment in the nation's coal mines. The benefits are provided through private insurance carriers or a self-insured program, as workers' compensation benefits.

Traditionally, black lung benefits are available to miners who can prove their medical condition is in fact black lung disease directly tied to their employment as a coal miner and not caused by a different health issue. However, the recent healthcare reform bill included a provision that would mandate payment of benefits to any miner who worked for 15 years in a coal mine, regardless of the cause of their medical conditions.

Medical technology exists to determine whether a patient has black lung disease or not, this is not sound public policy. It is estimated that this will cost those insurers writing black lung coverage possibly hundreds of millions of dollars - and could cause those companies to stop providing black lung coverage altogether.

For more information on the workers' compensation go to <http://www.namic.org/federal/fedissues.asp>, or contact



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