



Dear Senator,

A frequent criticism voiced by opponents of House Bill 2, a major workers' compensation reform bill, has been that current and prospective Kentucky employers are unconcerned about our state's workers' comp system. Businesses, they say, are fine with the status quo.

Nothing could be further from the truth. What we hear from employers is that costs in Kentucky are high; employees aren't getting back to work after injuries; they have no recourse for when third-parties are at fault; and they are fearful of skyrocketing premiums as a result of recent state Supreme Court rulings.

The problems employers tell us about aren't mirages. Data backs up their concerns:

- For every dollar of workers' compensation premiums collected, Kentucky is spending \$1.09 to pay claims and expenses—the second highest total cost in America.
- A Kentucky Supreme Court ruling in 2017, which ruled unconstitutional the state's benefit cut-off age at eligibility for Social Security, is expected to cause policy premiums to skyrocket and will turn our workers' comp system into a retirement plan.
- Kentucky does not use a workers' compensation drug formulary and is one of only ten states without medical treatment guidelines.

Here's how House Bill 2 proposes to address these issues:

- Reduce the duration for receiving benefits except for certain injuries and—thanks to input and support from the Kentucky Professional Fire Fighters Association—establish a mechanism for permanently receiving extended benefits.
- Require the adoption and implementation of evidenced-based medical treatment guidelines and a pharmaceutical formulary
- Require employment for one year prior to filing any occupational disease claim or hearing loss claim
- Provide for the restructuring of attorney fees
- Increase average weekly wage caps
- Provide a mechanism for employers through their insurers and self-insured group/employer to recover a prorated share of its subrogation lien so that employers are not paying for third-party mistakes
- Update the age for when workers comp benefits end

House Bill 2 is exactly what Kentucky needs right now: bold, comprehensive reform aimed at keeping costs to employers affordable, ensuring our system is sustainable, and giving injured workers the care they deserve while getting them back to work.

We strongly urge you to support House Bill 2. Let's tell Kentucky employers that we hear them, and let's send a signal to prospective companies that Kentucky is serious about its business competitiveness.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sarah Davasher-Wisdom'.

Sarah Davasher-Wisdom  
Chief Operating Officer

A handwritten signature in blue ink, appearing to read 'Iris Wilbur'.

Iris Wilbur  
Director of Government Affairs & Public Policy