

Testimony of Nate Cloutier

Before the Joint Standing Committee on Labor and Housing
May 11, 2023

In Opposition to LD 1896, "*An Act to Index Workers' Compensation Benefits to the Rate of Inflation*"

Senator Tipping, Representative Roeder, and distinguished members of the Committee Labor and Housing: My name is Nate Cloutier, and I am here today on behalf of HospitalityMaine representing more than 1,200 restaurant and lodging operators of all sizes across the state. HospitalityMaine opposes LD 1896, "*An Act to Index Workers' Compensation Benefits to the Rate of Inflation.*"

LD 1896 is an after-deadline bill that was introduced and deemed an emergency by a majority of the Legislative Council. The bill requires benefits awarded by the Maine Workers' Compensation Act (Comp) of 1992 to be annually increased to account for inflation.

HospitalityMaine is concerned with the changes proposed in this legislation and we believe it will significantly increase the cost of benefits provided under the Workers' Compensation Act. This bill flies in the face of a lengthy and thorough review of updates to Comp in 2019, where all sides were able to reach consensus. The final agreed upon amendment in 2019 provided for a cost-of-living adjustment after an employee received 260 weeks of total benefits.

Our state's workers' compensation statute is quite strict; it requires virtually all public and private sector employers to provide workers' compensation insurance. It would not behoove this Legislature to make such fundamental changes that will create financial burdens on employers who will have to bear the increased costs. It would be best to let this law remain as it is, as changes in this proposal could lead to unintended consequences that we have seen in other states, such as, overcompensation of some injured workers and under-compensation of others, a bogged system, and legal challenges of fairness and due process.

I have said it in previous testimony, and it is relevant here again. This bill, along with dozens of other concerning proposals that have made their way to this this Committee, will have the cumulative effect of signaling to our current businesses and any future potential investment that they should look elsewhere.

We urge you to please vote ought not to pass on LD 1896. Thank you, and I would be happy to answer any questions you may have.