



To Members of the Committee on Labor and Housing

March 8, 2021 Public Hearing

RE: LD 575 --- Workers' Compensation Mandate

### **STATEMENT IN OPPOSITION TO LD 575**

The National Association of Mutual Insurance Companies (NAMIC)<sup>1</sup> and its members, thank you for the opportunity to express strong opposition to legislation referenced above and urge that the bill be given an Ought Not to Pass recommendation.

This legislation would provide that there is a rebuttable presumption that an employee of the State or of a county whose regular or incidental duties require the care, supervision or custody of a person confined in a jail, prison or state correctional facility who contracts heart disease or hypertension has contracted the heart disease or hypertension in the course of employment and because of that employment.

NAMIC and its members have great admiration, respect and appreciation for the critical public protection services provided by the men and women in Maine's correctional facilities.

However, the proposed bill cited above seeks to expand current law in ways that would be detrimental to the state's workers' compensation system. The presumption that these employees would necessarily contract heart disease or hypertension in the course of employment does not comport with established medical research. According to the Centers for Disease Control, the leading causes of heart disease are behavioral or "lifestyle" --- *"Smoking, eating an unhealthy diet, and not getting enough exercise all increase your risk for having heart disease."*<sup>2</sup>

Thus, the bill's qualifications that the employee successfully passes a physical examination upon entry into that employment or during the time of that employment failed to reveal any evidence of that condition does not account for most cases of heart disease/hypertension attributable to lifestyle choices made during the course of employment.

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<sup>1</sup> The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of more than 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC members lead the personal lines sector representing 66 percent of the homeowner's insurance market and 53 percent of the auto market.

<sup>2</sup> [Know the Facts About Heart Disease \(cdc.gov\)](https://www.cdc.gov/heartdisease/facts/index.html)

A principle at the heart of how insurance benefits society is that spreading risk over a larger pool to cover the claims of a smaller pool of those who experience the risk will reduce premiums for all. This legislation turns that principle on its head by providing a presumption and coverage for a risk that is the leading cause of death in the US accounting for 1 in 4 deaths.<sup>3</sup>

Accordingly, this bill would likely generate a significant increase of claims and cause claims unrelated to work to be accepted as compensable; the result of which will cause workers' compensation costs to significantly increase and threaten the affordability of workers' compensation insurance.

NAMIC cautions legislators that the unintended consequences of approving these drastic changes to the workers' compensation system will do more harm than good and are unnecessary given the current protections afforded to Maine workers. Thank you for your consideration.

Respectfully Submitted,

Rory Whelan

Regional Vice President, Northeast  
National Association of Mutual Insurance Companies

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<sup>3</sup> [Heart Disease Facts | cdc.gov](https://www.cdc.gov/heartdisease/factsheets/index.html)