

## **Testimony in Opposition to LD 1896, An Act to Index Workers' Compensation Benefits to the Rate of Inflation**

Senator Tipping, Representative Roeder, and Honorable Members of the Labor and Housing Committee,

My name is Alexander Price. I am here today on behalf of the Maine Jobs Council to speak in opposition to LD 1896, An Act to Index Workers' Compensation Benefits to the Rate of Inflation. The Maine Jobs Council is a statewide, nonpartisan, member-driven advocacy organization that advances public policies to support the creation and preservation of foundational jobs in Maine.

The Maine Workers' Compensation Act is the exclusive remedy available to employees who sustain work-related injuries for claims against employers who have secured workers' compensation coverage. The employer is immune from civil liability for injury to the employee if the employer has met its obligation to provide workers' compensation benefits. This immunity extends to all employees, supervisors, officers, and directors of the employer. The current system has worked well since the reforms enacted by the Maine Legislature went into effect three decades ago.

We oppose LD 1896 because, when combined with the other workers' compensation bills that have been introduced this session, it would create more uncertainty and significantly increase costs on Maine businesses. This, in turn, would make investment less attractive and make businesses less competitive at a time when Maine's business and regulatory environments already rank among the lowest in the nation. Workers' compensation has been one of the most volatile economic issues in Maine's history. In fact, the cost-of-living adjustment was one of the drivers that caused Maine's workers' compensation system to collapse in the late 80's and early 90's. While the current system isn't perfect, employers and employees can be assured that the remedy is exclusive, and the benefits are predictable. LD 1896 would add tens of millions of dollars, if not more, to present and future costs that Maine businesses would have to bear. Maine's small businesses simply would not be able to afford these extra costs. Although undoubtedly well-intended, this bill could very easily cause serious damage and create tremendous economic difficulties for both insurers and businesses.

While the Maine Jobs Council certainly supports making workers a top priority, we believe the best way to do that is with a robust economy full of quality foundational jobs that provide choices, career growth, and increasing wages. Individual pieces of legislation such as LD 1896

are not the solution to solving our state's economic problems. Our overall business environment is 46th, we have the 3rd highest tax burden, the 9th highest healthcare cost, the 11th highest cost of living, and the 13th highest energy cost. Our overall economic ranking is last in New England. We encourage this committee to take a comprehensive look at how workforce challenges, taxes, regulations, infrastructure, and other issues act as a barrier to job creation in our state. Maine needs to develop and follow a long-term strategic plan to create a tax base that works for all Mainers.

The MJC thanks the committee for its time and consideration of this issue, and we would welcome any opportunity to discuss it with you.

Thank you,

Alexander Price, Pierce Atwood  
On behalf of the Maine Jobs Council