



129th MAINE LEGISLATURE

LD 1204

LR 2055(01)

An Act To Eliminate the Cap on Weekly Benefits in Workers' Compensation Cases

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Sylvester of Portland

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - All Funds

Current biennium cost increase - local units of government

Fiscal Detail and Notes

Eliminating the cap on the weekly benefit payable under the laws governing workers' compensation will increase the cost of workers' compensation in the State. An analysis performed by the National Council on Compensation Insurance (NCCI) Inc. estimates the increase in costs on a prospective basis to be between 2.0% and 3.0%, or between \$5.0 million and \$7.0 million, respectively, not including those employers that self-insure. If employers that self-insure are included, NCCI estimates the overall impact to the workers' compensation system prospectively to be between \$7.0 million and \$10.0 million. If applied retroactively to claims occurring before the effective date of this legislation, the cost will be significantly higher.

The fiscal impact on the State as a direct reimbursement employer and to local units of government can not be determined at this time and will depend on actual experience.