

MINUTES OF THE HOUSE COMMITTEE ON LABOR AND INDUSTRY.

The joint meeting with the Senate Commerce Committee was called to order by Senator Alicia Salisbury at 9:05 a.m. on February 11, 1993, in Room 313-S of the Capitol.

All members were present except: Representative Carmody (excused)
Representative Garner (excused)

Committee staff present: Jerry Ann Donaldson, Legislative Research Department
Jim Wilson, Revisor of Statutes
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Peter Strauss, Regional Manager Legislation, NCCI, Denver, Colorado
Joseph O. Thorne, Regional Actuary, NCCI, Agoura Hills, California
George N. Phillips, Asst. Vice President and Actuary Law Evaluations, Hoboken, New Jersey

Others attending: See attached list

Peter Strauss, Regional Manager Legislation, NCCI, addressed the joint committee. NCCI, data statistical organization for workers compensation insurance throughout the country, uses historical information to look forward to project what will happen in the next year. They use only Kansas information to propose Kansas rate filings. Rate filings do not make up for prior year's losses nor do losses in other states apply in Kansas. Mr. Strauss then introduced Joe Thorne, Regional Actuary for NCCI, who gave more detail as to what NCCI is and how they do their job.

Mr. Thorne discussed rate evaluation and rate making in workers compensation. He provided information on Data Sources used by NCCI, the Components of Filed Rates, and Kansas Ultimate Loss Ratios--Total Losses and broken down by Indemnity and Medical. (Attachment 1) Mr. Thorne thought we would see an immediate impact of any changes made in Kansas' workers compensation laws. He said an important part of reform is to attack the immediate problem.

George N. Phillips, Asst. Vice President and Actuary Law Evaluations, has been in forty states evaluating law changes and proposed changes in workers compensation and their impact on rates. He discussed the data sources they study and the various components in workers compensation and how they effect rates. Law changes and results other states have experienced in workers compensation were discussed.

The meeting adjourned at 10:53 a.m. The next meeting is scheduled for February 12, 1993.

GUEST LIST

COMMITTEE: HOUSE LABOR AND INDUSTRY

DATE: 2-11-93

NAME	ADDRESS	COMPANY/ORGANIZATION
Bill Curtis	Topeka	Ks Assoc of School Bds
Janet Stubbs	"	WBA of Ks.
Cameron Brewer	"	KT & A
Hal Hudson	Topeka	NFIB/Kansas
Bill Morrissey	"	DHR/Work Comp
Roger Traude	"	Ks Gov. Consulting
George Rickett	Wichita Topeka	Ks RESTAURANT & HOTEL ASSN
Jim Linnenman	Topeka	KS Hlth. Care Assoc.
Kevin D. McFarland	Topeka	Ks Homes for the Aging
Larry Shaffer	Topeka	Kns. Hosp. Assoc.
Jim Allen	"	PRM Inc
Donna Taylor	"	PIA K
David Frankel	Lawrence	ICTLA intern
Tom Whitaker	Topeka	KMCA
Nelsie Sweeney	Overland Park	OP Chamber
Bernie Koch	Wichita	Wichita Chamber
J M CORNISH	Topeka	Ks Assn NA II
Ray Bender	Chase	alliance
Terry Leatherman	Topeka	KCCI
LARRY MAGILL	TOPEKA	PROF IND. INS AGENTS
Mark BARCEWINA	Topeka	KDOCTH
Don Schuck	Topeka	ICTIOGA
Tim Louderback	Topeka	BARBEE & ASSOC

GUEST LIST

COMMITTEE: HOUSE LABOR AND INDUSTRY

DATE: 2-11-93

[illegible]

Data Sources

Financial Data

Closed Claim Study

Detailed Claim Information

Unit Statistical Plan

Newse Labor and Industry
Attachment 1
2-11-93

Components of Filed Rates

1-2

Indemnity Benefit Costs

Medical Benefit Costs

Loss Adjustment Expense

Assessments

- *Workers Compensation Fund*
- *Workers Compensation Administration Fund*

Production

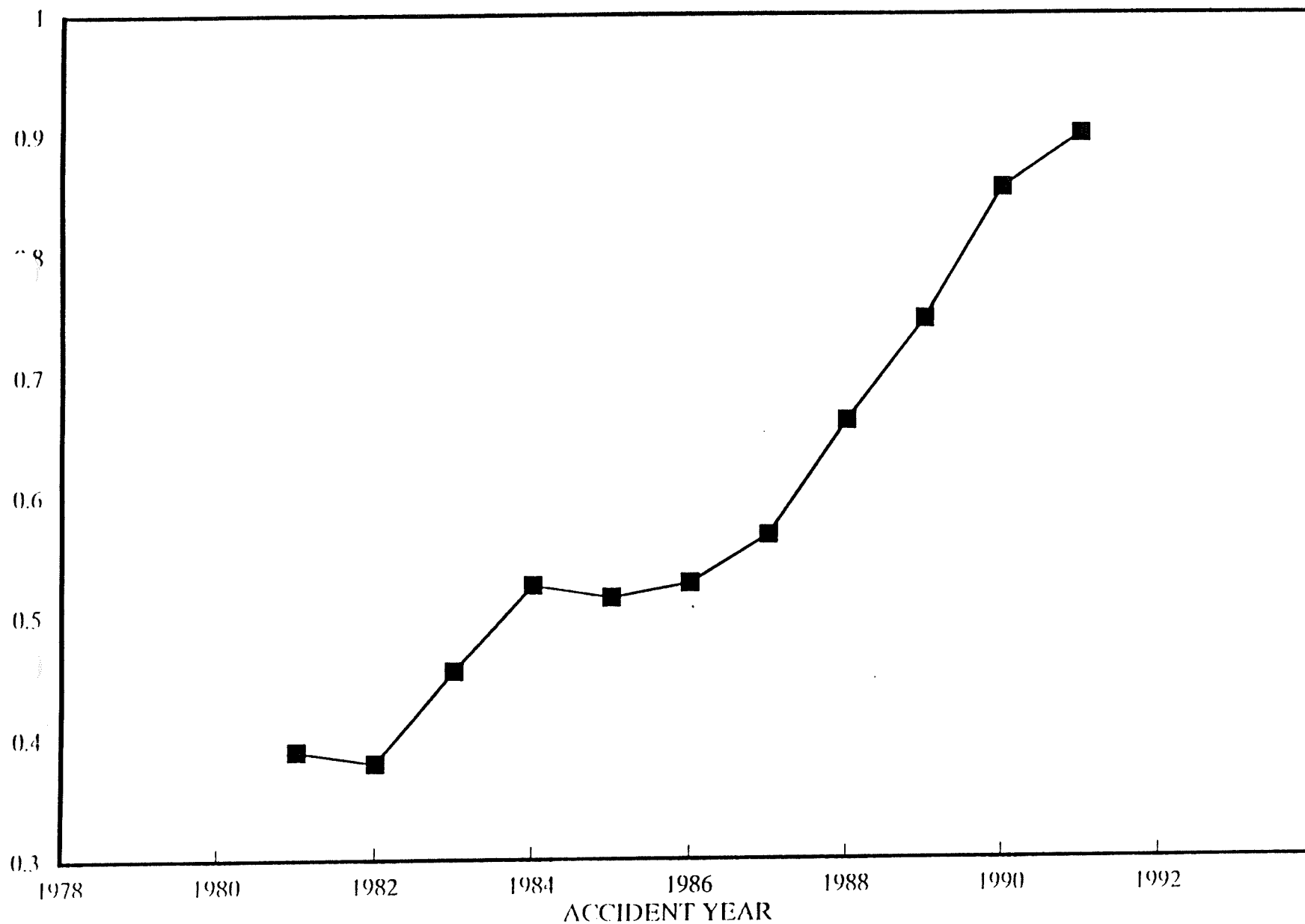
General Expense

Taxes

*Profit & Contingencies Including
Consideration of Investment Income*

Kansas Ultimate Loss Ratios – Total Losses

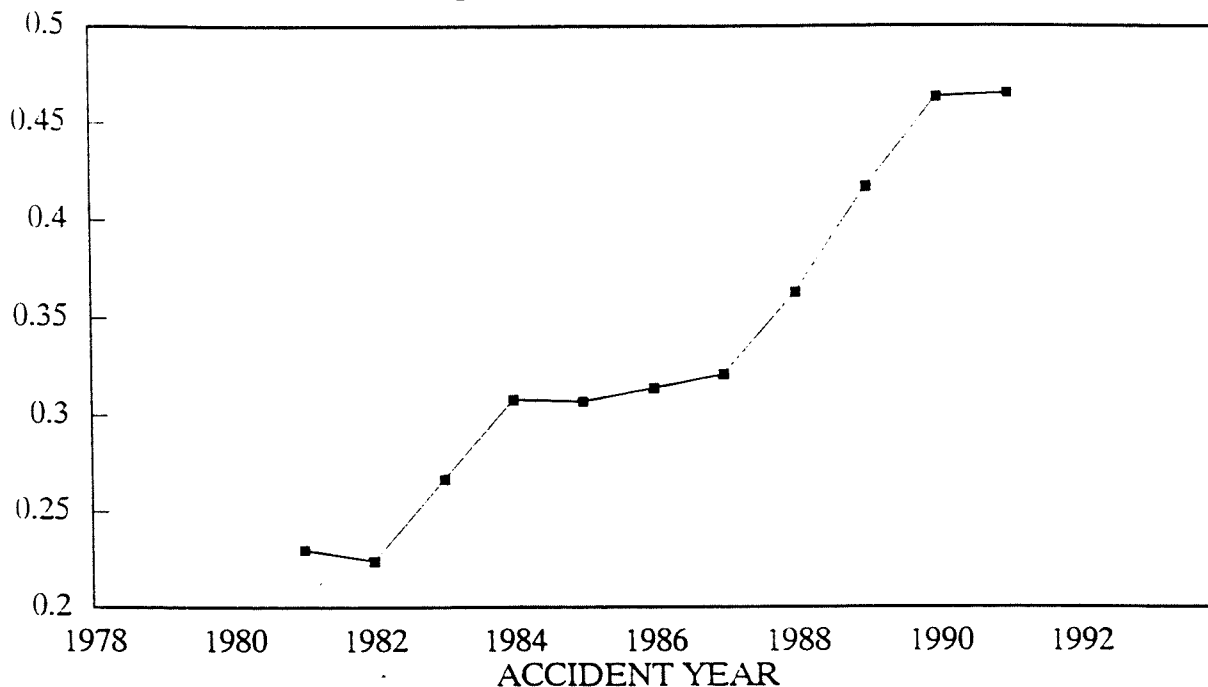
Data Evaluted as of 12/31/91



- NOTES:
1. Premiums are on current rate level.
 2. Indicated losses are under current law.

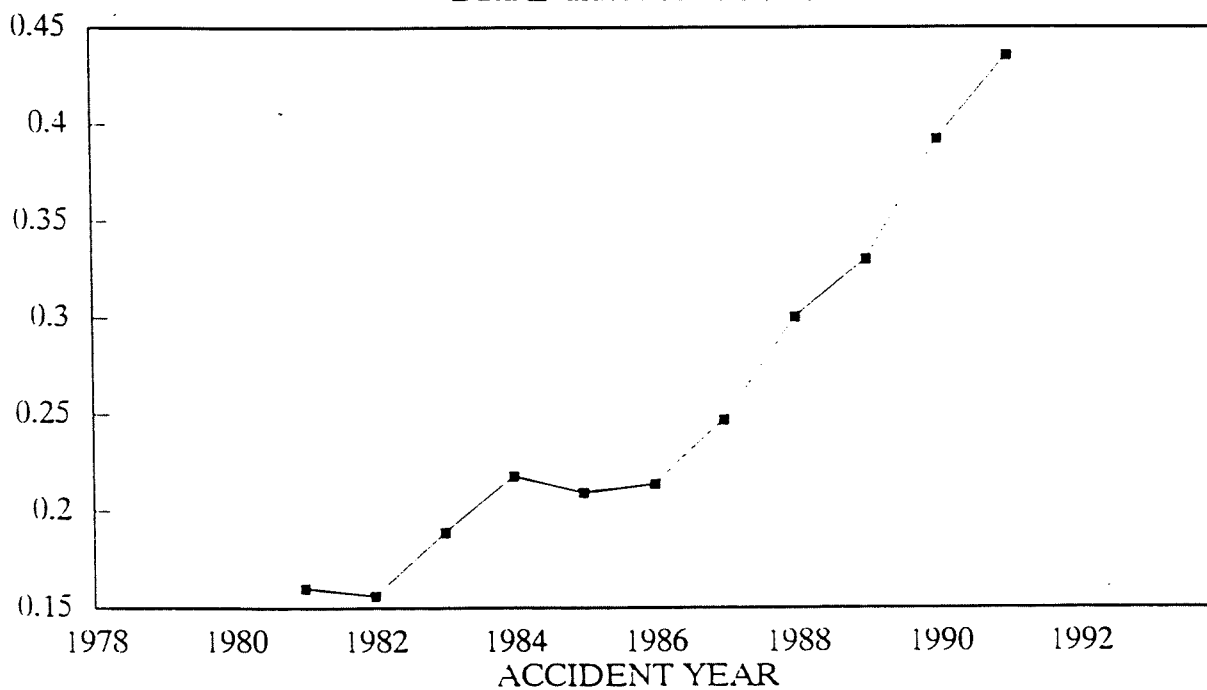
Kansas Ultimate Loss Ratios – Indemnity

Data Evaluted as of 12/31/91



Kansas Ultimate Loss Ratios – Medical

Data Evaluted as of 12/31/91



- NOTES:
1. Premiums are on current rate level.
 2. Indicated losses are under current law.