

Kansas Insurance Department

Sandy Praeger COMMISSIONER OF INSURANCE

Bulletin 2006-4

TO: Second Injury Fund Attorneys and Other Interested Parties

FROM: Sandy Praeger Commissioner of Insurance

DATE: July 17, 2006

RE: Workers Compensation Fund Survey

I have been directed by the 2006 Kansas Legislature, as part of newly enacted House Bill 2560, to file an annual report with the Legislature that includes:

"recommendations to the legislature on the advisability of continuation or termination of the workers compensation fund or any provisions of the workers compensation act relating thereto, an analysis of the federal Americans with disabilities act and its effect on the workers compensation fund and recommendations on ways to reduce claim and operational costs of the workers compensation fund." 2006 House Bill 2560 § 1(h).

As you are aware, the fund now, since legislative changes in 1993 and 1994, is required to pay benefits to an injured worker in a compensable case where the employer has no insurance and is financially unable to pay compensation to the injured worker or in situations where the employer cannot be located.

Pursuant to this new law, the Kansas Insurance Department is requesting your comments on the advisability of the continuation or termination of the workers compensation fund (formerly known as the second injury fund) and any comments concerning the effect of the ADA on the workers compensation fund. Also, the Department is examining ways to reduce the claim and operational costs of the workers compensation fund. Our agency is interested in learning from its attorneys and others what, if any, suggestions they have for lowering claim and operational costs of the fund. Please send your suggestions for how the Fund might lower claim and operational costs for the next fiscal year and any comments you may have regarding continuation or termination of the fund to us. Your suggestions or any questions you may have regarding this bulletin should be directed to Ezra Ginzburg, Kansas Insurance Department, 420 SW 9th Street, Topeka, Kansas 66612, 785-296-7812 or email <u>eginzbur@ksinsurance.org</u>.