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NCOIL COMMITTEE SUPPORTS RECIPROCITY FOR WORKERS' COMPENSATION CLAIMS

Weston, Florida, February 28, 2006 – Legislators of the National Conference of Insurance Legislators (NCOIL) Workers' Compensation Insurance Committee endorsed the concept of reciprocity agreements for workers' compensation insurance claims on February 23, during the February 23 through 26 NCOIL Spring Meeting here. The committee voted overwhelmingly to support a *Model Agreement Between Jurisdictions to Govern Coordination of Claims and Coverage*, and referred it to the NCOIL Executive Committee for further discussion on February 25.

The model agreement, which was developed in 2005 by the International Association of Industrial Accident Boards and Commissions (IAIABC) and subsequently adopted by the National Council on Compensation Insurance (NCCI), would streamline claims processes when an employee is injured while working in a second state. The agreement would define temporary employment, specify covered benefits, and determine the coverage source for injury claims.

As noted by NCOIL legislator Representative George Keiser (ND), there are numerous complexities inherent in claim settlements where reciprocity agreements are not in force. Without such understandings, injured workers file claims in the state that provides the greatest benefits – regardless of whether the worker was employed in the state only temporarily. This is problematic because employers are not paying into the workers' compensation system of the second state, and often are required to purchase secondary-state workers' compensation coverage as a result of the workers' compensation filing.

Additionally, states often require employers to pay a significant penalty when coverage was not in force during the time of an accident.

NCOIL will further its examination of the issue at the NCOIL Summer Meeting in Boston, Massachusetts, scheduled for July 13 through 16, 2006. At that time, the Workers' Compensation Insurance Committee will determine if the reciprocity agreement should be recommended for adoption by the NCOIL Executive Committee without change, or if an attached Oregon amendment, which provides an example of detailed enabling legislation, should be removed first.

NCOIL is an organization of state legislators whose primary focus is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country.

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