



**Testimony of**

**American Property Casualty Insurance Association (APCIA)**

**Senate Finance Committee**

**Senate Bill 433 - Labor and Employment - Workers' Compensation Claims - Fees for Legal Services**

**March 8, 2022**

**Letter of Opposition**

The American Property Casualty Insurance Association (APCIA) is a national trade organization representing nearly 60 percent of the U.S. property casualty insurance market. Our members write approximately 85.9 percent of all workers compensation sold in Maryland. APCIA appreciates the opportunity to provide written comments in opposition to SB 433.

SB 433 would permit the Workers' Compensation Commission (WCC) to order the payment of legal fees of up to \$2,000 for legal services rendered on behalf of a covered employee where no compensation other than a medical benefit is payable. The fees would be payable by the employee, employer, insurer, self-insured employer, or Uninsured Employers' Fund – though, as indicated in the Fiscal and Policy Note for a virtually identical bill during the 2020 session, the Commission has acknowledged that it would most likely require entities other than the employee to pay the fee.

This change would represent a significant and unjustified departure from the current system, in which attorney fee arrangements have historically been governed by the Commission's rules and attorneys charge employees directly for their fees. Those rules, while generally prohibiting attorney's fees in cases (as with medical care and treatment) where the employee does not receive any monetary award, already give the Commission discretion in COMAR 14.09.04.03(C) to authorize the payment of fees in such cases where exceptional circumstances exist. As a result, there is no need for statutory amendments in this area.

For all these reasons, the APCIA urges the Committee to provide an unfavorable report on SB 433.

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