



Testimony of Chesapeake Employers' Insurance Company and Injured Workers' Insurance Fund in Opposition to House Bill 650

House Bill 650 seeks to specify a certain percentage of the net recovery on a claim for workers' compensation is that subject to execution on a judgment for a child support arrearage. Because no such limitation exists in current law and because the bill does not include all types of workers' compensation recoveries, Chesapeake Employers' Insurance Company and the Injured Workers' Insurance Fund respectfully oppose House Bill 650.

Proposed section (v)(2)(II) of House Bill 650 lists certain types of workers' compensation benefits subject to the bill. Missing, however, are settlements and stipulations that make up a significant portion of paid workers' compensation benefits. On an annual basis, Chesapeake Employers' alone pays approximately \$60 million in settlement benefits for workers' compensation claims; excluding this benefit from House Bill 650 excludes a substantial pool of money that can be used to pay child support arrearages.

Moreover, as the below chart demonstrates, the limitations placed in House Bill 650 would significantly reduce the amount of money used to pay for arrearages. The below chart shows the child support paid in 2021 for Chesapeake Employers' Insurance and the Injured Workers' Insurance Fund, and results if only 25% of the payment was made. Of note, at times, child support due may be less than 25% paid or paid at a specific amount ordered from Circuit Court, therefore this chart is simply illustrative.

Child Support Paid in 2021

Claim #	Child Support Paid	IF 25%
6363175	\$67,118.27	\$16,779.57
6374787	\$65,584.08	\$16,396.02
6418235	\$17,651.88	\$4,412.97
6422804	\$16,841.73	\$4,210.43
6432794	\$16,763.34	\$4,190.84
6430073	\$12,707.39	\$3,176.85
6420036	\$10,555.23	\$2,638.81
6398394	\$9,664.21	\$2,416.05
6436696	\$6,559.81	\$1,639.95
6434408	\$6,451.09	\$1,612.77
6429444	\$5,947.43	\$1,486.86
6374311	\$3,189.56	\$797.39

6392017	\$3,179.80	\$794.95
6433635	\$3,000.00	\$750.00
6412205	\$2,400.00	\$600.00
6329427	\$2,230.50	\$557.63
6445220	\$1,983.97	\$495.99
6434419	\$1,785.41	\$446.35
6436511	\$1,518.21	\$379.55
Grand Total	\$255,131.91	\$63,782.98

Child Support Arrearage Lost:	\$191,348.93
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Chesapeake Employers' Insurance Company and the Injured Workers' Insurance Fund respectfully request an unfavorable report on House Bill 650 in light of the above. In the alternative, Chesapeake and IWIF would respectfully request settlements and stipulations be added to the list of benefits listed in said bill.

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