



Testimony of

American Property Casualty Insurance Association (APCIA)

Senate Finance Committee

House Bill 1012 - Labor and Employment - Workers' Compensation Claims - Fees for Legal Services

March 23, 2023

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 90% percent of all workers compensation sold in Maryland. APCIA appreciates the opportunity to provide written comments in opposition to HB 1012.

HB1012 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.

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. The problem is the failure to specify that employers and insurers are not responsible for paying for attorney's fees in these exceptional circumstances. Claimants are responsible for their own attorney's fees and would incentivize the filing of many new fee requests against employers and insurers that obviously would have a significant economic impact.

For all these reasons, the APCIA urges the Committee to provide an unfavorable report on HB 1012.

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