

March 22, 2011

The Honorable Jose Solorio
Chair, Assembly Insurance Committee
California State Assembly
1020 N Street, Room 369
Sacramento, CA 95814

**RE: AB 335 (Solorio) – Workers' Compensation Benefit Notices
SUPPORT**

Dear Assemblyman Solorio,

The California Coalition on Workers' Compensation (CCWC) is an association of California's public and private sector employers that advocates for a balanced workers' compensation system that provides injured workers with fair benefits and keeps costs low for employers. Our members include not only businesses of every size, but also cities, counties and other public entities.

CCWC is proud to support your AB 335, which would clarify the workers' compensation process for injured workers by improving the mandatory benefit notices sent to them by their employers.

2010 CHSWC Report on Benefit Notices and Recommendations

The Commission on Health and Safety and Workers' Compensation (CHSWC) released their *Report on Benefit Notices and Recommendations* in July, 2010. The report outlines the months of work by a broad stakeholder group that was convened by CHSWC to consider ways to improve benefit notices.

The stakeholder group convened by CHSWC agreed that the benefit notices currently used in the system were too voluminous, complex, confusing, misleading, and overwhelming. Additionally, the benefit notices lacked standardization and failed to convey the information needed by injured workers.

The CHSWC report contained recommendations and clearly outlined the legislative steps that would be required to implement their vision. AB 335 seeks to implement the proposed legislation in the CHSWC report.

AB 335 Implements CHSWC Proposal

AB 335 requires the Administrative Director (AD) for the Division of Workers' Compensation (DWC) to work with CHSWC on the development of new benefit notices written in plain language that is easy for injured employees to understand. The AD will also consult with CHSWC on the preparation of a booklet that describes the workers' compensation claims process, as well as the rights and obligations of employees and employer at every stage of the claim. The benefit notices will reference the booklet and provide injured workers with a clear and concise source of understandable information about their claim. The booklet will be available to injured workers online, and in hard copy by mail and at the district offices of the DWC.

AB 335 also updates the mandatory employment posters so that they provide the website, address, and contact information where employees can obtain further information about the claims process and their rights and obligations.

Better Outcomes for Employers and Injured Workers

AB 335 will create better outcomes for injured workers by providing them with more digestible information at key points in the claims process. This should lead to a reduction in frictional legal expenses that result from confusion and poor communication. Ultimately, CHSWC estimates that this legislation will provide a net savings of over \$42 million per year.

For these reasons, CCWC is pleased to support AB 335 and respectfully requests that you support the bill in your committee.

Sincerely,

Jason Schmelzer
Legislative Advocate

CC: Members, Assembly Insurance Committee