



August 9, 2017

The Honorable Ricardo Lara
Chair, Senate Appropriations Committee
State Capitol, Room 5050
Sacramento, CA 95814

Subject: **AB 570 (Gonzalez Fletcher) – Apportionment to Pre-existing Disability**
OPPOSE

Dear Senator Lara,

The organizations listed above must respectfully OPPOSE AB 570, which would require California employers to pay injured workers permanent disability indemnity benefits for disability that everyone agrees was not caused by a workplace injury or illness.

We oppose AB 570 because it is a violation of the fundamental agreement between workers and their employers that establishes the foundation of our workers' compensation system. That agreement holds that employers will accept responsibility for all injuries and illnesses that occur in the course and scope of employment, even when they would otherwise have no legal liability. The workers, in exchange for the guaranteed coverage, relinquish the right to sue their employers in civil court. AB 570 violates that agreement by requiring employers to compensate injured workers for disability that has not, with medical certainty, resulted from a workplace injury.

The sponsor, the California Applicant Attorneys Association, has advanced legislation with substantially similar provisions for years, and vetoing these measures has been a bipartisan affair. Both Governor's Schwarzenegger and Brown have recognized that these bills result in a fundamental expansion of our workers' compensation system. In vetoing AB 1643, Governor Brown provided a clear basis for his action:

"On the issue of apportionment, this bill creates broad, gender-based exceptions to the rule that employers are liable only for the percentage of permanent disability directly caused by a work-related injury. As written, the bill would prohibit apportionment to, and thus require employers to pay for, a permanent disability that actually resulted from pregnancy or menopause, or from osteoporosis or carpal tunnel syndrome where these are preexisting conditions or unrelated to work."

(Governor Brown's veto message on AB 1643 (Gonzalez, 2016))

AB 570 expands the purpose of California's workers' compensation system – already the most expensive among the 50 states – to pay injured workers' a cash benefit to compensate for permanent impairment that is in no way related to employment. No matter what the explanation or justification, AB 570 is nothing more than a big step in the wrong direction for California.

For these reasons, and many more, we strongly OPPOSE AB 570.

Sincerely,

California Coalition on Workers' Compensation
California Chamber of Commerce
American Insurance Association
Association of California Insurance Companies
California State Association of Counties
CSAC Excess Insurance Authority
National Federation of Independent Business
California Manufacturers & Technology Association
California Association of Joint Powers Authorities
Association of California Healthcare Districts
California Special Districts Association
California Grocers Association