

I MINA'TRENTAI KUATTRO NA LIHESLATURAN GUAHAN
Informational Briefing/ Oversight Hearing / Roundtable Hearing

REPORT	STANDING COMMITTEE / SENATOR	DATE	DATE FILED	NOTES
Roundtable Hearing	Committee on Innovation and Economic, Workforce, and Youth Development	10/10/17 10:00 a.m.	11/7/17 11:26 a.m.	Committee Report on the Review of Compensation Levels in the Guam's Workers' Compensation Law

Senator Régine Biscoe Lee,
Chairperson

Speaker Benjamin J.F. Cruz,
Vice Chairperson

Vice Speaker Therese M. Terlaje,
Member

Senator Thomas C. Ada,
Member



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NA LIHESLATURAN GUÅHAN

LEGISLATIVE SECRETARY • 34TH GUAM LEGISLATURE

Senator Telena C. Nelson,
Member

Senator Michael F.Q. San Nicolas,
Member

Senator Thomas A. Morrison,
Member

Senator Mary C. Torres,
Member

Senator Louise B. Muña,
Member

COMMITTEE ON INNOVATION AND ECONOMIC, WORKFORCE, AND YOUTH DEVELOPMENT

October 30, 2017

The Honorable Benjamin J.F. Cruz
Speaker
I Mina'Trentai Kuátro Na Liheslaturan Guåhan
163 Chalan Santo Papa
Hagåtña, Guam 96910

PBL.

VIA: The Honorable Régine Biscoe Lee
Chairperson, Committee on Rules

RE: Review of Compensation Levels in the Guam's Workers' Compensation Law

OS-2017 NOV -7 AM 11:26

Dear Speaker Cruz:

Transmitted herewith is the Committee Report on the Roundtable on Draft Bill on updating Workers' Compensation §9107 and §9109.

Sincerely,


Senator Régine Biscoe Lee

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COMMITTEE ON RULES
11:06am.



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Chairperson

Speaker Benjamin J.F. Cruz,
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Member

Senator Thomas C. Ada,
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Member

Senator Mary C. Torres,
Member

Senator Louise B. Muña,
Member

COMMITTEE ON INNOVATION AND ECONOMIC, WORK FORCE, AND YOUTH DEVELOPMENT

COMMITTEE REPORT

Review of Compensation Levels in the Guam's Workers' Compensation Law



GUAM CONGRESS BUILDING | 163 CHALAN SANTO PAPA | HAGÁTÑA, GUAM 96910
senatorbiscoelee@guamlegislature.org | (671) 472-3455

FIRST NOTICE OF ROUNDTABLE DISCUSSION - October 10, 2017 at 10 am

Alan C. <cepeda.alanj@gmail.com>

Tue, Oct 3, 2017 at 10:34 AM

To: phnotice@guamlegislature.org, phmaterials@guamlegislature.org

Cc: sgtarms@guamlegislature.org, mis@guamlegislature.org, Joe San Agustin <protocol@guamlegislature.org>

FOR IMMEDIATE RELEASE

October 3, 2017

MEMORANDUM

TO: All Senators, Stakeholders and Media

FROM: Senator Régine Biscoe Lee

SUBJECT: FIRST NOTICE OF ROUNDTABLE DISCUSSION

Håfa Adai! Please be advised that the Committee on Innovation and Economic, Work Force, and Youth Development will be conducting a roundtable discussion on Tuesday, October 10, 2017 beginning at 10:00 a.m. in the Public Hearing Room of *I Liheslaturan Guåhan*, Guam Congress Building, 163 Chalan Santo Papa Street, Hagåtña. The following item is on the agenda:

- **Roundtable Discussion:** Review of Compensation Levels in the Guam's Workers' Compensation Law.

Individuals who wish to submit testimony prior to the hearing may do so by emailing it to senatorbiscoelee@guamlegislature.org or you may send or hand deliver it to 163 Chalan Santo Papa, Hagåtña, Guam 96910. We comply with the Americans with Disabilities Act (ADA). Should you require assistance or accommodations, please contact our office at 671-472-3455. Si Yu'os Ma'ase'!

 **First Notice of Roundtable Discussion.pdf**
32K

SECOND NOTICE OF ROUNDTABLE DISCUSSION - October 10, 2017 at 10am

Alan C. <cepeda.alanj@gmail.com>

Fri, Oct 6, 2017 at 9:43 AM

To: phnotice@guamlegislature.org, phmaterials@guamlegislature.org, sgtarms@guamlegislature.org, Joe San Agustin <protocol@guamlegislature.org>, mis@guamlegislature.org

Cc: Régine Biscoe Lee <senatorbiscoelee@guamlegislature.org>, James Perez Servino <james.servino@guamlegislature.org>, rbloffice@googlegroups.com

FOR IMMEDIATE RELEASE

October 6, 2017

MEMORANDUM

TO: All Senators, Stakeholders and Media

FROM: Senator Régine Biscoe Lee

SUBJECT: SECOND NOTICE OF ROUNDTABLE DISCUSSION

Håfa Adai! Please be advised that the Committee on Innovation and Economic, Work Force, and Youth Development will be conducting a roundtable discussion on Tuesday, October 10, 2017 beginning at 10:00 a.m. in the Public Hearing Room of *I Liheslaturan Guåhan*, Guam Congress Building, 163 Chalan Santo Papa Street, Hagåtña. The following item is on the agenda:

- **Roundtable Discussion:** Review of Compensation Levels in the Guam's Workers' Compensation Law.

Individuals who wish to submit testimony prior to the hearing may do so by emailing it to senatorbiscoelee@guamlegislature.org or you may send or hand deliver it to 163 Chalan Santo Papa, Hagåtña, Guam 96910. We comply with the Americans with Disabilities Act (ADA). Should you require assistance or accommodations, please contact our office at 671-472-3455. Si Yu'os Ma'ase'!

**SECOND NOTICE.pdf**

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Senator Régine Biscoe Lee,
Chairperson

Speaker Benjamin J.F. Cruz,
Vice Chairperson

Vice Speaker Therese M. Terlaje,
Member

Senator Thomas C. Ada,
Member



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Senator Telena C. Nelson,
Member

Senator Michael F.Q. San Nicolas,
Member

Senator Thomas A. Morrison,
Member

Senator Mary C. Torres,
Member

Senator Louise B. Muña,
Member

COMMITTEE ON INNOVATION AND ECONOMIC, WORKFORCE, AND YOUTH DEVELOPMENT

Tuesday, October 10, 2017 – 10am in Public Hearing Room

AGENDA

- I. Call to Order:
 - a. Opening Remarks
 - i. The Honorable Senator Régine Biscoe Lee
 - ii. Panel Introductions
- II. Draft Bill:
 - a. Minimum and Maximum
 - b. Disfigurement
- III. Stakeholder Comments
 - a. Workers Compensation Commission
 - b. Participating Insurance Company, stakeholders
- IV. Comment and Questions
- V. Action Items



Mr NCE

I Mina Trentai Kuåtto Na Lheslaturan Guðhan
 Committee on Innovation and Economic, Workforce, and Youth Development
 Office of the People • Senator Régine Biscoe Lee
 Public Hearing Sign-in Sheet

Tuesday, October 10, 2017 • 10:00 a.m. • Public Hearing Room

Roundtable Discussion: Review of Compensation Levels in the Guam's Workers' Compensation Law.

NAME	AGENCY OR ORGANIZATION (IF ANY)	CONTACT NUMBER	EMAIL ADDRESS
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BOBBY SHRIN G	Guam Chamber of Commerce		
Mayor Doris F. Lujan	NCEG	482-8945	mayor@naysoffice@gmail.com

Manning Pablo / JLF - NCE
 Ray S. Chairman Ins Comm.

I Mina 'Trentai Kuåttro Na Liheslaturan Guåhan
 Committee on Innovation and Economic, Workforce, and Youth Development
 Office of the People • Senator Régine Biscoe Lee
 Public Hearing Sign-in Sheet

Tuesday, October 10, 2017 • 10:00 a.m. • Public Hearing Room

Roundtable Discussion: Review of Compensation Levels in the Guam's Workers' Compensation Law.

NAME	AGENCY OR ORGANIZATION (IF ANY)	CONTACT NUMBER	EMAIL ADDRESS
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Marijose Neuron	Pacific Insomnity	477-8801	mneuron@pacificinsomnity.com
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BEN SERVID	DISID		

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 Office of the People • Senator Régine Biscoe Lee
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Roundtable Discussion: Review of Compensation Levels in the Guam's Workers' Compensation Law.

NAME	AGENCY OR ORGANIZATION (IF ANY)	CONTACT NUMBER	EMAIL ADDRESS
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Scott Anderson	Der	475-8003	scott.anderson@dot.guam.gov
Finma, Stephanie	P11cd	477-8801	

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Roundtable Discussion: Review of Compensation Levels in the Guam's Workers' Compensation Law.

NAME	AGENCY OR ORGANIZATION (IF ANY)	CONTACT NUMBER	EMAIL ADDRESS
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Liz Fern	HSAHO	788-9577	lifen@mail.clerk.com.td
Prer B. Servino	Chunglun Ins.	898-8695	benita.servino@disidgwas.gov

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341 S. Marine Corps Drive, RK Plaza, Suite 309 Tamuning, Guam 96913
Tel: (671) 646-5722 (JRBB)/5723 Fax: (671) 646-5721
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October 9, 2017

Honorable Régine Biscoe Lee
34th Guam Legislature
Suite 101
155 Hesler Place
Hagåtña, Guam 96910

Re: Testimony in Support of Increasing Guam's Workers' Compensation Levels for Workplace Injuries

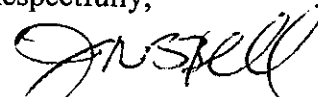
Dear Senator,

Thank you for addressing this crucial issue. The table below outlines my initial proposals and appropriate comparisons based on some preliminary research, with some research pending.

<u>Workers comp. levels</u>	<u>Guam (current)</u>	<u>Guam (present proposal)</u>	<u>Guam (my proposal)</u>	<u>Hawaii</u>	<u>New York</u>	<u>California</u>
Weekly cap	\$250	N/A	\$1,000	\$812 ¹	\$870.61 ²	\$1,128.43 ³
Visible Disfigurement	\$10,000	\$20,000 ⁴	\$30,000	\$30,000 ⁵	\$20,000 ⁶	Pending
Funeral Expenses	\$3,600	N/A	\$10,000	Pending	\$10,500 ⁷	\$10,000 ⁸
Death Benefits	\$225 min- \$375 weekly max	N/A	\$250,000	Pending	\$870.61/wk weekly benefits ⁹	\$320,000 ¹⁰
Lifetime Disability Cap	\$100,000	N/A	\$500,000¹¹	Pending	Pending	Pending

Workers compensation generally, and the private sector compensation levels specifically, seem to have been ignored for many years. I applaud your efforts to review, consider, and implement meaningful reform and implore your colleagues to follow your lead.

Respectfully,



John Richard Bordallo Bell, Esq.

¹ <https://labor.hawaii.gov/dcd/files/2014/11/2016.pdf>

² <http://www.wcb.ny.gov/content/main/onthejob/wcBenefits.jsp>

³ <https://www.dir.ca.gov/InjuredWorkerGuidebook/Chapter5.pdf>

⁴ Per 10/3/17 First Notice of Roundtable discussion

⁵ <https://www.hawaii.edu/uhwo/clear/home/HRS386-2.html>

⁶ <http://lois-llc.com/new-york/facial-disfigurement-awards-in-ny-workers-compensation-cases/>

⁷ <http://www.wcb.ny.gov/content/main/forms/AllForms.jsp#formC62>. See form C-500.1 (6-16).

⁸ <https://www.dir.ca.gov/dwc/workerscompensationbenefits.htm>.

⁹ <http://www.wcb.ny.gov/content/main/onthejob/wcBenefits.jsp>.

¹⁰ <https://www.dir.ca.gov/dwc/workerscompensationbenefits.htm>.

¹¹ <https://www.gelmans.com/ReadingRoom/tabid/65/ctl/ArticleView/mid/372/articleId/314/Workers-Compensation-News--March-30-2003-Volume-1-Issue-4.aspx> Research thus far indicates that lifetimes caps are either uncommon or not easy to discern. Logically, if an injured worker's family gets \$250,000 to replace that income for a person who can never work again, then the compensation limit should be considerably more given the fact that injured work must support himself as well as for his/her family for the rest of his/her life despite the permanent work disability.

guamBusiness MAGAZINE



Guam's disability rate for injured workers sorely outdated

on July 1, 2017 | Leave a comment

Forum Opinion

Geri E. Diaz



Diaz

Attorney

Camacho Calvo Law Group LLC

It's no secret to business owners and workers throughout the island that Guam's workers' compensation system is in need of reform. The legislature first enacted the law to provide for workers' compensation benefits in 1952. Since then, there have been several amendments, but nothing of utter significance to meet the changing times. A number of changes should be made to Guam's Workers' Compensation Law, the most glaring of which is an increase in the maximum temporary disability rate for injured workers.

Consider the following scenario: You're a truck driver for a private company and you're in charge of hauling construction materials to different sites on the island.

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While in the process of unloading your cargo, you feel a pop in your lower back and suddenly experience excruciating pain radiating down into your legs.

After you file a workers' compensation claim with your employer, you're sent to the doctor's office for medical treatment. Your doctor gives you a prescription for pain medication and refers you to a physical therapist. He also indicates that you're temporarily disabled and takes you out of work. After continuing to receive conservative treatment for the next eight to 10 weeks with no improvement, your doctor recommends surgery. If you agree to proceed with surgery, you'll miss work for a few more weeks, if not months, depending on the type of surgery.

During the entire time that you're temporarily disabled and not working, you're entitled to temporary disability benefits. These benefits are intended to compensate you for your lost wages. Per Guam law, temporary disability benefits are based on 66.66% of the injured worker's average weekly wages, subject to the maximum of \$250 per week.

For example, the current minimum wage is \$8.25 per hour. If the injured worker works 40 hours per week, this equates to an average weekly wage of \$330 and a temporary disability rate of \$220 per week. To qualify for the maximum temporary disability rate of \$250 per week, an injured worker must earn \$375 per week.

In the truck driver scenario described above, let's say that you earned \$15 per hour. This equates to an average weekly wage of \$600 and a temporary disability rate of \$400 per week. However, since the maximum temporary disability rate is \$250, that's all you'll receive per week. Now imagine having to live on \$250 per week for several months with all your same expenses. No matter how much you budget, that amount isn't enough to cover rent or mortgage payments, utility bills, grocery bills, gas charges and the like.

Bill No. 97, which set the maximum rate at \$250 per week, was signed into law in 1988. That was 29 years ago.

Due to significant increases in the cost of living since the 1980s, we are long overdue for a change in the maximum temporary disability rate. In California, the maximum temporary disability rate is increased annually, and it currently stands at \$1,172.57 per week. I'm not campaigning for the same rate to be implemented on island, especially since Guam has lower wage rates as



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compared to the mainland. However, the maximum rate must be increased to allow injured workers the ability to survive financially while seeking medical treatment and recovering from their injuries.

All too often, injured workers request that their doctors release them to return to work even though they haven't fully recovered. This can result in work limitations, impacting their ability to perform their jobs. Also, they may be more susceptible to additional injuries that can lead to repeated absences from work.

By increasing the maximum temporary disability rate, injured workers can take the time necessary to recover from their injury instead of stressing over how to make ends meet and rushing back to work.

Employers will benefit by having the employee, who may be vital to the business' success, back at work and performing at his or her fullest capability. The employers also avoid the time and money spent on recruiting, hiring and training a new person to cover that particular position.

The injured worker benefits because he or she will earn a normal paycheck, maintain a productive mindset and have a sense of security and stability.

The ultimate beneficiaries of an effective workers' compensation system are supposed to be both the employers and workers who are injured on the job. Thus, it would make sense to update and amend the law governing temporary disability benefits that was enacted more than 20 years ago.

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September 1, 2017 - 0

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Régine Biscoe Lee <senatorbiscoelee@guamlegislature.org>

Workman's comp.

John Bukikosa <johnbukikosa@gmail.com>
To: senatorbiscoelee@guamlegislature.org

Tue, Oct 17, 2017 at 6:39 PM

Madam Senator Biscoe Lee

I just wanted to let you know that I really appreciate your time on the workman's compensation law.

I was injured in a vehicle accident August 2017 while at work, and have been on leave without pay after I had exhausted my annual leave, I have been receiving the allotted amount from workman's compensation insurance which is really by any means enough to survive on I have a mortgage and a college loan (Son) that both my wife and I pay jointly and this is aside paying for my share of insurance premiums through my company I work for. If it wasn't for my allowed benefits to withdraw from my 401k Retirement plan I would have either have to resign from my job in order to cash out my 401k just to make sure that my obligations to my family is meet. As we all agree that the workman's compensation law is so outdated and will need to be reviewed and corrected so workers aside from my self will have a better piece of mind that our workman's compensation insurance obligations will take care of the injured and not be forced to return to work just so they can make payments on there obligations. By the way I am still not back to work.

Thank you for your time.

John Bukikosa
4802854.



GFT, AFT Local 1581
Together We Win!

Sanjay Sharma, President
Corazon Mucho, Secretary

Timothy Fedenko, Vice President
James Luian, Treasurer

23 October 2017

Senator Regine Biscoe Lee
Committee on Innovation and Economic, Workforce, and Youth Development
34th Guam Legislature
163 Chalan Santo Papa
Hagatna, Guam 96910
Re: Updating Guam's Workers' Compensation: An Injury at Work to Bankruptcy

Dear Senator Regine Biscoe:

The purpose of workers' compensation should be to ensure an injured worker receives a timely and predictable compensation until the worker is able to return to work. In 1988, Guam last updated the maximum cap on workers' compensation to \$250 per week for total permanent disability (e.g. loss of both arms or both legs). The amount of compensation is even less if the loss of limbs is considered partial. Everybody in attendance at the roundtable on October 10, 2017 at the Guam Legislature seemed to agree that the \$250 per week was insufficient.

Attorney Bell was advocating for a maximum amount of \$1,000 per week, which was justified through a comparison with California and New York. This maximum payment is based on 66 and 2/3% of an individual's weekly paycheck before injury. In order to receive up to \$1,000 per week, the individual must be earning an annual salary of \$78,000. Unfortunately, the wages on Guam for the average public and private sector employees have stagnated over the years where the \$1,000 amount per week would not be met by most employees. According to McLaren and Baldwin (2017), the average maximum pay for permanent total disability is \$945 as set for all states and some territories, excluding Guam. GFT endorses a maximum compensation of \$1000 per week at 66 and 2/3% of a person's income despite many workers on Guam not meeting this amount.

Some states allow for workers' compensation for an individual's entire lifetime while others place a limit based on the extent of the injury. For a worker to lose both arms at work as an example of total permanent disability, the pain is a lifetime, not five years or less. Grabell and Berkes (2015) noted the struggles of underproviding benefits to those workers injured at work. These struggles of not receiving sufficient funds meant filing for bankruptcy or being at the brink of such a financial disaster. Workers' compensation is supposed to be a safety net to keep an individual from complete ruin. McLaren and Baldwin (2017) list a more comprehensive

comparison between states on workers' compensation benefits within its appendix C. Knowing that some injuries are a lifetime and may prevent an injured employee from returning to work, GFT proposes that a time limit for monetary payments for permanent total disability be the same as most of the states, which has no time limit or until the employee is capable to return to work.

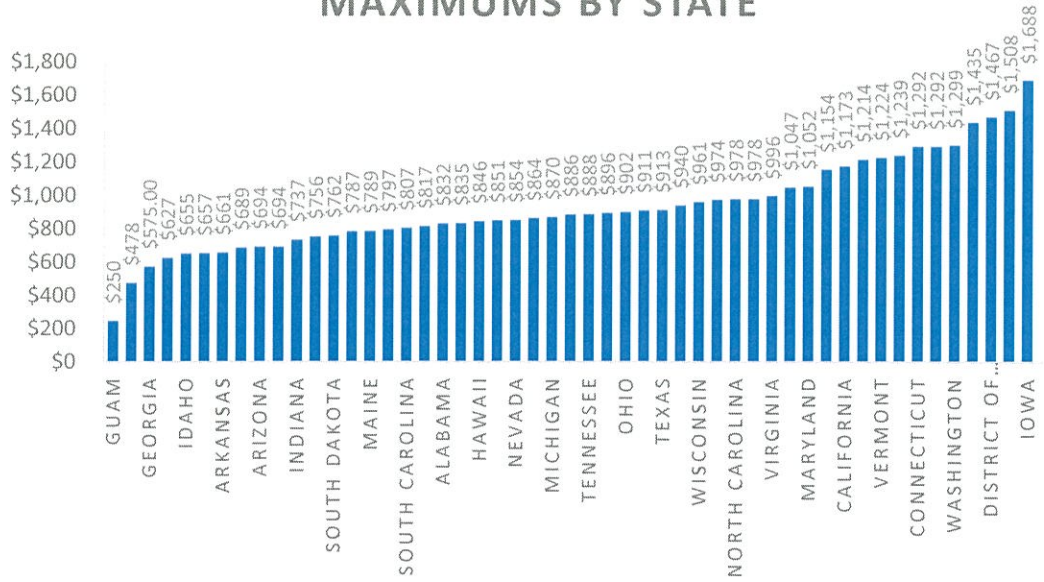
GFT recommends the following:

1. Maximum compensation of \$1000 per week at 66 and 2/3% of a person's income.
2. Establish a minimum weekly compensation at 80% of minimum wage.
3. Time limit for monetary payments for permanent and temporary total disability continue to remain without a cap.
4. Establish a Workers' Compensation Trust for employees of Guam, entrusted to the Workers' Compensation Committee, whereby businesses can buy into the trust in lieu of Workers' Compensation insurance.
5. Require businesses who employ more than four individuals to purchase Workers' Compensation insurance or enroll into a Workers' Compensation Trust Fund.
6. Increase the amount of compensation in terms of weeks to match national average for permanent partial disability.
7. Compensation for vocational rehabilitation should be pegged to half of enrollment cost at Guam Community College or University of Guam, dependent on place of enrollment.
8. 9109.d. provides compensation for surviving family members for permanent partial disability, but it excludes permanent total disability and temporary total disability. Reconsider the inclusion with a maximum to this compensation.

References

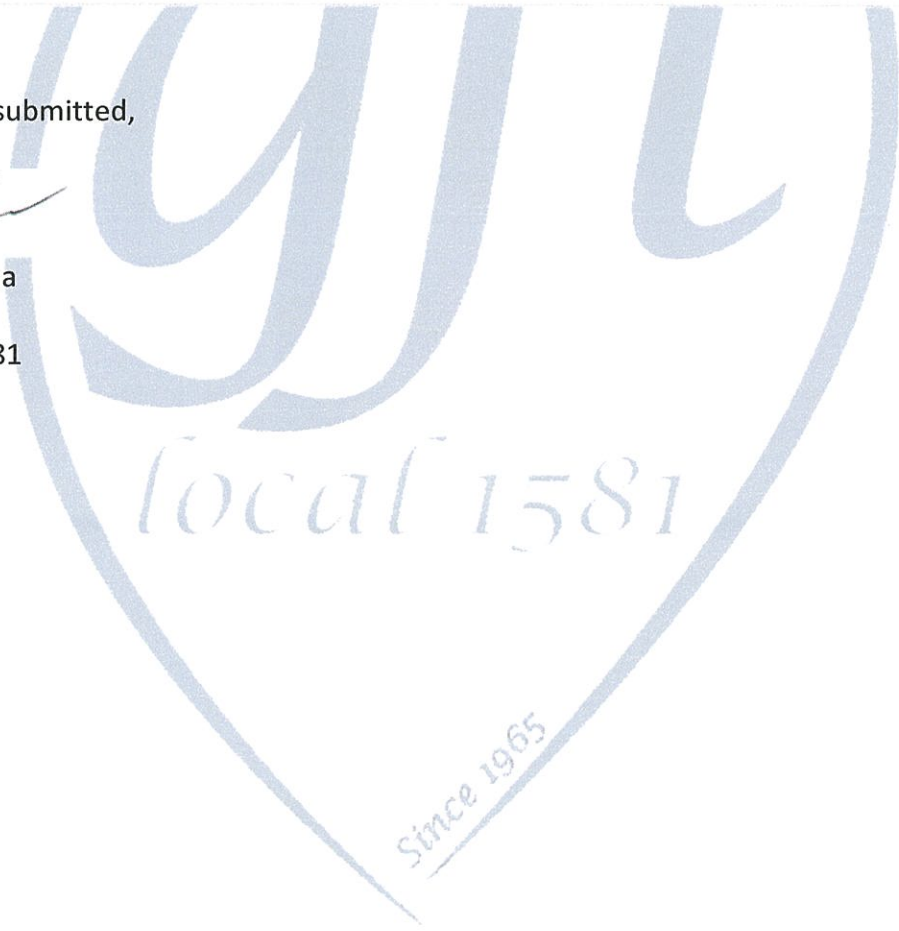
- Grabell, M., & Berkes, H. (2015). As workers' comp varies from state to state, workers pay the price. *National Public Radio*. Retrieved from <http://www.npr.org/2015/03/06/391149235/as-workers-comp-varies-from-state-to-state-workers-pay-the-price>
- McLaren, C. F., & Baldwin, M.L. (2017). Workers' compensation: Benefits, coverage, and costs. National Academy of Social Insurance. Retrieved from https://www.nasi.org/sites/default/files/research/NASI_Workers%20Comp%20Report%202017_web.pdf

PERMANENT TOTAL DISABILITY PAYMENT MAXIMUMS BY STATE



Respectfully submitted,

Sanjay Sharma
 President
 GFT Local 1581
 AFL-CIO





GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

October 24, 2017

THE HONORABLE REGINE BISCOE-LEE
Chairperson, Committee on Innovation, Economic and Workforce Development
I Mina' Trentai Kuatttro Liheslaturan Guahan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

RE: Round Table Discussion on Draft Legislation which proposes the following:

AN ACT TO AMEND §§ 9107 AND 9109(c)(20) OF CHAPTER 9, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO UPDATING THE WORKER'S COMPENSATION LAW BY REMOVING MAXIMUM AND MINIMUM WEEKLY COMPENSATION FOR WORKER'S COMPENSATION AND INCREASING COMPENSATION FOR DISABILITIES FROM DISFIGUREMENT OF THE FACE OR HEAD.

Dear Senator Biscoe-Lee,

We would like to take this time to thank you for the opportunity to present our comments on this Draft Legislation. Before proceeding with our concerns with this draft, we would like to emphasize the objectives of enacting a Workers Compensation (WC) Law, which is to provide coverage of employees for job-related accidents and disease. This not only includes bearing costs related to medical treatment, but also providing weekly compensation benefits. While benefits for this law are specific and limited, except for the medical treatment, many employers choose to insure this risk.

Another objective of WC laws is to prevent malingering. Since employers can be held legally liable for injuries or sicknesses sustained by their employees in the workplace, the extent of such liability is unlimited. WC Laws eliminate the need for the employee to undergo a tedious legal process, and only requires them to provide that the injury or sickness is work related to qualify for the disability benefits. Limits on WC compensation are established to prevent or reduce malingering, which exist when an employee claims that they are still unable to return to work, despite the absence of medical evidence of continuing disability.

The primary intent of this draft is to remove both the maximum and minimum weekly compensation for worker's compensation, which technically removes any limits, and on the contrary increases this benefit to a degree of uncertainty. Except for American Samoa, all states and territories continue to impose maximum limits to their weekly worker's compensation disability benefits. These limits vary from state to state, depending largely on the economic situation prevailing in each region over time. There are reasons that limits are established, and hence we recommend that the Guam Legislature heed caution before pursuing in the path of eliminating them.

Letter to Senator Biscoe-Lee

Re: Draft to update workman's compensation law

Page 2

One of the primary consequences of increasing these benefit limits (removing these limits all together) will be the costs to the employer's and/or insurers. Insurance is a business of risk, and this draft has the potential of drastically increasing those risks, whereas the simple principle with insurability is that the greater the risk, the higher the costs. In other words, this draft if enacted into law will cost employers an increase in either their workers compensation programs or insurance plans.

A carrier recently shared a brief internal study based on the current average salaries on Guam, and essentially stated that an insurer/employer obligation would increase by nearly 116% if the maximum limitation is removed. This is in respect of permanent partial disablement benefits alone. In their summary, it was indicated that if insurers are allowed to maintain their current loss ratio's, then they should be able to charge 116% more than the current tariff rates, just to make up for the removal of the maximum limits. It was further noted that death and temporary total disablement will be impacted as well, which will also require additional premiums. It was emphasized that removing limits will increase malingering, which is contrary to objectives of WC laws.

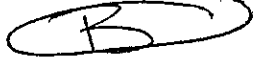
By increasing the costs of the worker's compensation program, businesses will be adversely impacted. The Guam Chamber of Commerce has reiterated on many occasions that enacting laws that increase the costs of doing business create an unfriendly environment when it comes to commerce. This year alone, there have been bills/proposals introduced by the legislature/administration which propose to increase the minimum wage, increase taxes, raise tariffs and utility rates, and enhance more leave time, all of which are detrimental to businesses on Guam. This draft legislation adds to ailing list, and thus we urge senators to "not" support this draft, if it indeed becomes introduced as legislation.

If it is the resolve of the draft's author to enhance this discussion, then it is recommended that an in-depth actuarial study be conducted to determine the true impact to the employer, who must either pay the increased benefits themselves if they choose to self-insure, or pay the additional premium that will necessarily be charged by the insurer. We understand that there is an emotional desire by parties to remove these limits, but we recommend that statistics and actual dialogue with the industry experts should be the basis of this discussion, and nothing more.

In closing, the Guam Chamber of Commerce does not support this draft legislation. Our organization represents over 400 members, who employ over 40,000 employees, and we have a responsibility to oppose any legislation that would impact the costs of doing business on Guam.

Thank you very much and we are certainly open to further discussion on this draft legislation.

~~Senseramente~~



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Chairman of the Board

Senator Régine Biscoe Lee,
Chairperson

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Vice Chairperson

Vice Speaker Therese M. Terlaje,
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COMMITTEE ON INNOVATION AND ECONOMIC, WORKFORCE, AND YOUTH DEVELOPMENT

COMMITTEE REPORT DIGEST

I. OVERVIEW

The Committee on Innovation and Economic, Work Force and Youth Development convened a public hearing on Tuesday, October 10, 2017 at 10:05 A.M. in the Legislature's Public Hearing Room. The item on the agenda was a roundtable discussion on a draft bill on updating Workers' Compensation §9107 and §9109.

Public Notice Requirements

Notices were disseminated via email to all senators and all main media broadcasting outlets on Tuesday, October 3, 2017 (5-Day Notice), and again on Friday, October 6, 2017 (48-Hour Notice).

Senators Present

Senator Régine Biscoe Lee, Chair

II. SUMMARY OF TESTIMONY & DISCUSSION

The public hearing was Called-to-Order at **10:05 A.M.**

Chair Senator Biscoe Lee:

Buenas yan Håfa Adai todus hamyu (Hello to all of you). This roundtable discussion by the Committee on Innovation, Economic Workforce, and Youth Development is called to order it is now **10:05 a.m.** For the record and in accordance with five (5) GCA Chapter eight (8) subsection §§8107 public hearing notices were sent out on Tuesday October 3rd 2017 adhering to the five days' notice and a second public notice on Friday October 6th 2017 48 hours prior to today. In addition, this hearing was noticed on the Legislature's website www.guamlegislature.com and written testimonies may be submitted by emailing



senatorbiscoelee@guamlegislature.org or you may hand deliver them to our office at 163 Chalan Santo Papa here in Hagåtña. I want to thank everyone so much for joining us here today we have a really good group to begin our discussion. We have some folks from our insurance partners, we have the Department of Labor here, the work workman's comp commission (Workmen's Compensation Commission) and a number of other folks we have some labor attorneys and and other members of our community who are very interested in this topic. So again I want to thank you all for your time and for joining us this morning. As many of us know Guam workers' compensation laws were enacted in 1952 it has seen major amend... or minor amendments but since but nothing substantial has really allowed compensation rates to increase proportionately with the cost of living while many parts of the law need to be revisited and updated I've called this roundtable today to initially focus on two (2) sections of the law. So we're going to dive into today is section §9107 which is relative to minimum and maximum compensation levels as well as section §9109 relative to compensation rates for disability. The current rate of compensation for disabled employees is sixty-six and two-thirds (66 2/3%) percent of his or her average weekly wage throughout the continuance of the disability. For permanent total disability the law currently sets a minimum amount of a hundred and fifty dollars (\$150) per week and a cap of two hundred and fifty dollars (\$250) per week. In regards to instances of disfigurement of the face head or other part of the body, the law currently states that compensation shall not exceed ten thousand dollars (\$10,000). These figures have not been updated since 1988 that was almost thirty (30) years ago and so I mean 1988 I was about six and a half (6 ½) years old so that kind of gives you an idea of how long we've been waiting to make adjustments to this and currently Guam's weekly cap is on an average six hundred and seventy-five (\$675) dollars less than the weekly caps of all the other states so it's clear that we need to revisit these figures. Workers compensation is a safeguard for all of us as employees in the event an employee is injured in their line of work this law is what ensures dignity as they recover and rebuild their lives and ultimately if we don't provide adequate compensation on the front end we all will end up paying for it in other ways as these employees may have to seek help from other public assistance programs. Upon the recommendation of the Guam Department of Labor I am working on a draft bill to update the law starting with these crucial sections the intent of my draft bill is to ensure that workers compensation law is serving its purpose of adequately sustaining a worker in today's economy and with today's cost of living while he or she is unable to work because of an injury on the job. Today I want to review and discuss the minimum and maximum compensation levels for disabled workers and the compensation levels indicated per type of pending a change of these amounts I would also like to discuss the potential impact that would have on premiums for workers

compensation insurance we are very interested in and open to your concerns and your suggestions on other parts of workers compensation law at another time or in writing to this committee but please note that the purpose of today's roundtable is specifically to discuss sections nine one zero seven §9107 and nine one zero nine §9109. And at this time I'd like to invite some of the representatives who've signed in I have the Department of Labor here Miss Joann Fullerton is the administrator of the workman's comp commission (Workmen's Compensation Commission) we also have Mr. Greg Massey and other members from the Department of Labor thank you so much for joining us and I'll just read off the other agencies or organizations that are here and if representatives from these agencies would like to join us at the table we're more than happy to have you so representatives from Century Insurance, Great National Insurance, GNI, TNA, Calvo's Insurance, Moylan's, the Law Office of John Bell, the Society for Human Resource Management, the Guam Chamber of Commerce, and the Honorable Mayor Doris Flores Lujan from the Mayor's Council of Guam who is also who also sits on the workmen's comp board. So again we want to thank you all for joining us. And we'll go ahead and start with some written testimonies that have been submitted to the committee. Okay so we'll go ahead and start with Attorney John Richard Bell.

Attorney John Richard Bell:

Mic check. I did submit written testimony so I'll keep it very brief this is just very preliminary research but a consistent with what Senator Lee has said you know it's been a long time since the rates have been raised my written testimony did include other areas but since the senator said she just wants to rage focus on nine one zero seven §9107 and nine one zero nine §9109 I'll just briefly recap you know for nine one zero seven §9107 the current maximum is two hundred and fifty dollars (\$250) per week apparently since at least 1988 and Hawaii based on my very preliminary research it's eight hundred and twelve dollars (\$812), New York is eight hundred and seventy (\$870) California's one thousand one hundred and twenty-eight dollars (\$1,128) a week. And so my proposal is one-thousand dollars (\$1,000) a week I know that's a big jump but I think it's well justified given how long it's been since it's been raised and again that's a max that doesn't mean everybody gets one-thousand dollars (\$1,000) a week it just means as a maximum I mean I've I've thought about it if you're let's say a neurosurgeon making you know you know a lot of money you cut your hand off I mean you know you get thousand (\$1,000) well you know two hundred and fifty dollars (\$250) a week right now and so I don't think a thousand (\$1,000) a week is you know out of left field given what is given in other states as again as a maximum for visible disfigurement

my proposal is thirty thousand dollars (\$30,000) again as a maximum and that's aligned with Hawaii based on my again preliminary research New York is twenty thousand dollars (\$20,000) right now we're at ten thousand dollars (\$10,000) under nine one zero nine §9109 and so I would just support adopting hood central Hawaii's figure of thirty thousand dollars (\$30,000), thirty thousand dollars (\$30,000) for visible disfigurement and one thousand dollars (\$1,000) maximum for the weekly cap thank you so much.

Chair Lee:

Thank You Attorney Bell. My office has also been working with Department of Labor and the Workman's Comp Commission and reviewing workers' compensation the workers' compensation law. We realized that compensation levels are not reflected of the average wage of our workforce today and so I would like to pose at this time a couple of questions to the Department of Labor so DOL in coordination with my office provided some initial recommendations for changes to the workers' compensation law. Can maybe Joanne-lyn or a member of your team explain how do I and workers and WCC (Workmen's Compensation Commission) determine these recommendations and suggested changes to compensation levels? Sure, could you explain how the Department of Labor and WCC determined some of these recommendations and suggested changes to the compensation levels?

Mr. Manny Pablo:

Now what it was was me and Joanne my name is Manny Pablo I work with the Department of Labor workers comp. So me and Joanne were we met with Greg and the director and deputy director they already came up with some of the scheduling of what the fee should be so we primarily just had a discussion with them and we were not given the whole amount of what was actually going to be submitted to your office but we gave an input of what we felt was necessary but we never was given the total amount of what was actually given to your office so we were brought here just to go ahead and see what the hearing was about but we never really got the final total amounts of what was submitted to the legislature.

Ms. JoAnnalyn Fullerton:

It was just a draft...

Mr. Manny Pablo:

It was a draft yes...

Mr. Greg Massey:

Yeah what had happened is we had coordinated with with Joannlyn's office on what they thought would be a good update to the two hundred and fifty dollars (\$250) and we'd kind of come to a consensus that seven hundred dollars (\$700) was probably a good number we as far as I know we didn't really do any compr... you know any studies as to what's comparable in the other states and we kind of figured that this process would be where we would where we would be going through that you know seven hundred dollars (\$700) was like a starting point you know and and then of course you know we knew during the legislative process that it was going to get you know kind of hashed out you know so the seven hundred dollars (\$700) was basically what we suggested as a good point to begin with.

Chair Lee:

Okay thank you so much. A draft bill would seek to lift the current minimum and maximum levels for total disability and then instead provide benefits determined by sixty-six and two thirds percent (66 and 2/3%) of the employees average weekly wages. So can you maybe tell us what the coverage for disability is for GovGuam workers as compared to the private industry currently?

Ms. JoAnnalyn Fullerton:

Okay this is new to me. For GovGuam workers their TTD is full pay if they're certified to be off...

Chair Lee:

I'm sorry can you just explain TTD is? No you're...

Ms. Fullerton:

Temporary temporary total disability. Do I push this?

Chair Lee:

Nope, you're okay.

Ms. Fullerton:

It's on it's okay. Temporary total disability is they can get it for five (5) years if the doctor certifies them to be off because they can't work because of their injury work government of Guam have full pay they initially we don't give them the money they get the money from their paychecks that from their divisions so we just provide the medical okay and then when the doctor says to go back they go back to work.

Chair Lee:

So they get a hundred percent (100%) of their...

Ms. Fullerton:

Full pay well full pay not counting differential pay overtime if they're fifty thousand dollars (\$50,000) that's their full pay okay you know that's what they get a year but a lot of them that like the police department and fire department they make a lot more than that so they really lose a lot when they're on TTD so they get back to work as soon as possible okay

Chair Lee:

And how does that compare to the private industry currently?

Ms. Fullerton:

Well the private industry it's really hard because it's only up to two hundred and fifty dollars (\$250) but that's the 22 GCA...

Chair Lee:

It's only up to two hundred and fifty dollars (\$250)

Ms. Fullerton:

A week...

Chair Lee:

A week okay...

Ms. Fullerton:

We'd like to raise it but you know what that's what we're here for right?

Chair Lee:

Okay, do you think that using the sixty-six and two-thirds percent (66 and 2/3%) of the employees average weekly wage will be appropriate for our workforce via this draft bill?

Ms. Fullerton:

I think so it's national there's nothing wrong with sixty-six and two-thirds percent (66 and 2/3%)...

Chair Lee:

Okay what do you anticipate to be some of the results for the workforce and the insurance industry in removing the maximum and the minimum?

Ms. Fullerton:

Oh I think you're going to have to talk to the private here because there's going to be problems but whatever comes up is going to be good as long as it's better than what we have now...

Chair Lee:

So what do you anticipate to be the results of that?

Ms. Fullerton:

Well I think if we can move it up to seven hundred dollars (\$700) that might be too much I don't know. But also if they wanted to go full pay they can do like what we do we have a couple of autonomous agencies that buy private insurance and here's how that works when a government employee is hurt let's say at the airport they have insurance with let's say century...

Chair Lee:

Okay...

Ms. Fullerton:

Okay they get full pay the they have to have certification they can't just say they got hurt they get certification from a doctor they get full pay but this insurance company if let's say it's up to two hundred and fifteen dollars (\$215) let's say it's two hundred and fifty(250), two hundred and fifty dollars (\$250) they send a check either bi-weekly or once a month let's say five hundred (\$500) or a thousand dollars (\$1,000) to that claimant who then endorses back to the airport so it works very nicely that way that might be a good way to think about this raise where the employer will pay the full pay when their employee is out and the insurance company will pay up to to whatever the sixty-six and two-thirds ($66 \frac{2}{3}$) is...

Chair Lee:

To reimburse them...

Ms. Fullerton:

To the to the employee, to the claimant who would then sign it over to their employer that would be a good deal I I think that's just an idea I mean they may have better ideas because I'm not an underwriter I don't sell insurance okay...

Chair Lee:

Understood...

Ms. Fullerton:

And I know there's more more to it than just saying two hundred and fifty (250) or seven hundred dollars (\$700) but if they go up that way then maybe the employers will treat their employees better provide better service, safety and then they will want their employees to come back maybe they won't terminate them because depending on how this comes out when they're terminated if you're on TTD right now the and the doctor says you're off then you still get you're up to two hundred and fifty (250) a week so if an employer is now set up to pay the full amount for their TTD but now they fire them how is this going to work? Are they going to be paying that full pay? Or does that revert back to the carrier? There's a lot of things you have to talk to the carrier's here because I don't know how it works there but there's different I have different ideas I don't if they'll work...

Chair Lee:

Okay...

Ms. Fullerton:

And maybe this way it'll prevent the employers from firing them terminating them...

Chair Lee:

Thank you...

Ms. Fullerton:

It's just a thought...

Chair Lee:

Okay. Some states have linked their maximum compensation to a certain percentage of the state's annual average weekly rates. Do you think that linking our maximum compensation according to Guam's average annual weekly wage could be an alternative way to determine compensation?

Ms. Fullerton:

I haven't thought about that. What do you think (directed to Mr. Manny Pablo)? It depends on what they all you all come up with. I think some of your questions need to wait until you talk to the carriers and you need to hear what they're going to say then maybe you can make a decision...

Chair Lee:

So I have a number of questions for you...

Ms. Fullerton:

Okay. Alright...

Chair Lee:

And then I have a number of questions for any carriers...

Ms. Fullerton:

I didn't even know I was going to speak I thought it was all going to be private go ahead...

Chair Lee:

Okay...

Ms. Fullerton:

We just knew about this Friday because you all have my wrong email. It's okay. Alright...

Chair Lee:

Okay...

Mr. Massey:

Senator if I may that might be a good methodology. It's a little bit better than then just an arbitrary number if that's the model that the states are using to determine you know...

Ms. Fullerton:

Yeah, the states...

Mr. Massey:

But again like JoAnnalyn said I think the private sector stakeholder input would be a lot more valuable I'm sure they've they've done they're they're in the weeds of it versus the GovGuam (Government of Guam) system right now so that might be that might be an alternative to look at

Chair Lee:

Okay...

Ms. Fullerton:

Yeah...

Chair Lee:

Does DOL (Department of Labor) calculate Guam's average weekly wages?

Mr. Massey:

I'm pretty sure BLS probably does I'd have to check with the chief economist...

Chair Lee:

Okay. That's Mr. Gary Hiles.

Mr. Massey:

I'm almost positive we've got something. Offhand I'd have to check

Chair Lee:

Okay and then...

Mr. Massey:

I can get back to you on that...

Chair Lee:

We can just follow up questions with him...

Mr. Massey:

Sure...

Chair Lee:

And maybe ask him what the process is for determining the average weekly wage for Guam how often I mean when it's published how often it's published and what our current average weekly wage might be...

Mr. Massey:

I know there's I think he currently has an average annual wage that we could probably convert down. Again I'd have to check with Gary Hiles on it.

Chair Lee:

Okay...

Mr. Massey:

I will get back to you...

Chair Lee:

And again we just want to invite members of the insurance community the insurance industry to join us at the roundtable if anybody has any feedback or suggestions at this time we want to welcome you to the table just have a seat and introduce yourself.

Mr. Ray Schnabel:

Good morning senator I am Ray Schnabel. I am chairman of the Insurance Association of Guam representing all property and casualty and health insurers. We applaud your efforts and you're right the the workers comp scheme has not been looked at in many many many years and in looking at the draft legislation just again I just arrived back from a long trip and I haven't had a chance to go through this in in any depth. Number one (1) no matter what we do on on in terms of benefits etc etc again a cost is going to have to be estimated and split out and rates are going to have to be derived that's going to be very difficult with the lack of information we have with Department of Labor with the insurance industry etc even ourselves we've been looking at this for many many years and we still do not have enough data to derive accurate rates so no matter what we come up with it's going to be an estimate that's going to have to be looked at over years. Number two (2) no matter what the benefits are one thing that's been sorely lacking in the industry with regards to GovGuam's workers comp scheme and our and the private sector scheme has been the lack of practical recourse we say no GovGuam's workers comp says no that's not workers comp and workers are left without practical recourse. In fact as a representative of the health industry GovGuam workers comp says no and we're left without practical recourse who do we challenge and that's not built into this into this law. And you mentioned Commission Commissioner which Commission and Commissioner are we talking about?

Chair Lee:

The workers comp Commission...

Mr. Schnabel:

I just like to say that the as a member of the chamber and as a rep representative the sharing the insurance industry that's something that we would strongly object to having to answer to a worker's comp Commission...

Chair Lee:

It's...

Mr. Schnabel:

Or I'm sorry a Government of Guam workers comp Commission...

Chair Lee:

Any would do you have anything else to add or? Because I have a handful of questions for you as well or any other members of the insurance industry if they'd like to?

Mr. Schnabel:

I'm going to ask Nancy because she prepared some statements on on just some of the philosophies that are lacking and in the initial draft...

Chair Lee:

Okay. Thank you...

Mr. Schnabel:

Nancy Tan...

Chair Lee:

So much Mr. Schnabel. Thank you...

Ms. Nancy Tan:

Good morning Senator and good morning everybody. My name is Nancy Tan and I am the Education Committee of the Insurance Association of Guam and I'm also the assistant manager for FirstNet insurance which is a domestic insurance carrier that does sell workers compensation policies in Guam at the moment our Guam rates is actually the 1971 Hawaii rates plus twelve percent (12%) and twenty percent (20%) and those increments of the increases were done maybe like in the 1980s right maybe Manny can correct me on that. But so the rates by itself has not been changed either so it kind of like correspondent what the Chairman's Schnabel had mentioned that if you should increase the benefits then the rate should appropriately be adjusted accordingly to. Okay the points of our discussion is basically in reviewing the proposed law without a workers compensation law an employer can only be held legally liable for injured injuries sustained by an employee under common law if negligence can be inputted on the employer the extent of such liability is unlimited the employee however must prove it in court which can be long tedious and expensive process for both sides with uncertain results. And the other thing is for the emulation of the law the need of the employee to prove negligence only that the injury or sickness is work-related the benefits are specific and limited except for medical treatment which makes the program bearable and the part of the employer or to ensure if the employer chooses to ensure there is. Giving a hundred percent (100%) compensation for us though I am looking at it is it'll be the weekly composition entirely will induce mal injuring on the part of the employee which is contrary to objective of the workers comp law so what's going to benefit me to go back if I am getting full compensation anyways right? I mean so in the private sector we have to be weary of that that if the employee is able and to go to work then of course he should go back because he's only being coverage sixty-six and two-thirds percent ($66 \frac{2}{3}\%$). I agree that the percentage may need to be adjusted but as you know economics is if something is adjusted the other side will also have to be adjusted right? So my other two points is all states and territories continue to impose maximum limits to their weekly workers compensation disability benefits except American Samoa. The limits vary from state to state depending largely on the economy situation prevailing in each region over time. And thank you to attorney Bell he has showed us that and so the consequence of changing the limits is any increase to the benefits limit will cause the employer an or the ensure more this therefore should be the subject of an in-depth actuarial study to determine the impact to the employer who must either pay the increased benefits himself if he chooses to self-insure or pay the additional premium that would necessarily be charged by the insurer. We have had several cases over the

past year already wherein the employer has actually paid I mean the the our policy actually has paid over and beyond for it for the employee like for example if everybody can recall the there was an injury for in the employee from a GPA transmission line probably sometime in Talofoto and we had to Medevac the employee to the Philippines that medevac portion by itself is close to eighty thousand dollars (\$80,000) okay so and then of course our current workers compensation law the medical payments done it's unlimited medical payments so if the employer I mean if the employee is still going through physical therapy or it's under workers compensation because it's a work-related injury so these are the things that we really have to be very I mean your be be strictly aware of what we're getting ourselves into the studies really will have to be very in-depth that would be my recommendation. Okay. Thank you.

Chair Lee:

Thank you very much. We also just I want to note for the record we have some other representatives from agencies and organizations joining us. So we have GFT the Guam Federation of Teachers CC Law, IHC, F&I TMPI, Sumho, Pacific Indemnity and the Director of DISID is here with us today as well as Guam Insurance Adjusters and PII Co. So if anybody else any other representatives would like to join the conversation please have a seat at the round table. Mr. Sharma did you have any comments you like to add? Okay...

Mr. Bobby Shringi:

Can I just...Just give a quick synopsis of the Chamber's perspective...

Chair Lee:

Okay. Thank You Mr. Shringi...

Mr. Shringi:

Good afternoon Senator. My name is Bobby Shringi I'm also the Chairman of the Guam Chamber of Commerce just like with GFT, the the chamber is still drafting a position. Actually a draft has been created I'm just waiting for the port to approve it, but just to kind of sort of give you a synopsis and I think the sentiments are very similar to what the Department of Labor as well as Mr. Schnabel has stated. It's it's really difficult to to really put up position because there really is no

real numbers on the table the primary concern of course is the cost factors you know we represented by the way I'm also with an insurance company but my comments at this point represent my hat as the as a member of the Guam Chamber of Commerce and so our concern primarily is how does this impact the small guys you know insurance premiums as we all know can escalate and Miss Tan here also mentioned that if 1971 rates have been utilized and if there are changes to the benefits then obviously it's also going to eventually to changes in premiums you raise the the caps suddenly there's going to be a cost factor and while the big the big entities may not feel that that burn it's a little guys it's the five (5) man operations it's the seven (7) person operations and these are things to consider so that's really where we're at. You know secondly and in our draft we've also noted the you know the recommendation of a study of a true actuarial study to see exactly where it should be I am pretty sure at this point it's a given that the conversation is sort of heading in the direction where these caps will be amended but to what level you know what where should it be and I think that's where a true actuarial study really must be conducted to determine that I mean arbitrarily saying seven hundred (\$700) or a thousand (\$1,000) it's nice to put out numbers but how does it impact premiums how will it hurt the little guys you know these are things that have to be questioned as well so that's basically where we're at at this point. But we'll be submitting a official as soon as I get my board to approve what was drafted over the weekend which by the way on this specific draft and not necessarily what the ultimate legislation is going to entail. Okay thank you.

Chair Lee:

Thank you very much. I do have a few questions for maybe Miss Tan and Mr. Schnabel. I'm not sure maybe you can both answer some of these but I just want to learn a little bit more maybe you can tell us a little bit more about disability coverage through workman's compensation and more specifically about maybe your your company specifically by your company? So what are the types of claims or injuries that you generally cover?

Ms. Tan:

Well as long as their work related I mean it will an injury is an injury it means to be like for example if it's a construction company like the our worker in Talofofa he was basically covered for all of the medical expenses plus also a portion of it was during the temporary the temporary total disability and also the permanent total disability also at the end of the assessment of his doctor. So so it's well if like for example well workers comp like let's say if I'm traveling to work and I have not

reached work yet okay and I get into an accident or something so that would then be workers comp okay as long as I'm at or the workplace and it's part of my duty during off hours or whatever you know it will be that will be a disability cause that would be that of the coverage basically. Yeah...

Chair Lee:

You also in your remarks earlier you were noting that there hasn't been a change in premiums since the 1980s can you just confirm that?

Ms. Tan:

I believe so...

Chair Lee:

In your...

Ms. Tan:

Because I started in I've been in the industry for thirty-one (31) years so I've only seen one change can I put it that way?

Chair Lee:

Okay...

Mr. Schnabel:

I think it was 1995 I believe...

Ms. Tan:

Yeah...

Chair Lee:

1995 there was an increase?

Ms. Tan:

In 1988...

Mr. Schnabel:

Was it 88?

Ms. Tan:

Yeah and and as I've mentioned the the increase was a gradual increase it was a first twelve percent (12%) increase of the 1970 and Hawaii rates and a couple of years later a twenty percent (20%) increase. Am I correct on that the insurance people?

Mr. Schnabel:

I think that's good enough. It's been a long time...

Chair Lee:

Yeah, it's been a really long time...

Ms. Tan:

Yeah and actually the the previous regulatory administrator Mr. Carlos did suggest the you know the to look to look into this also he has suggested this before his retirement. So as Chairman Ray Schnabel had mentioned yes we are we are considering doing that and looking at a at a more concrete study but it is just that we need the industry's data also and improbably the Government of Guam data also to be sure although the benefits are actually a little bit different yeah...

Mr. Schnabel:

Can I just provide one more...

Chair Lee:

Sure sure..

Mr. Schnabel:

Word of caution basically it's already difficult enough trying to estimate a cost that's been one of our challenges how do you estimate cost even under the current workers comp scheme it's it's been very difficult to estimate that cost now when you change the landscape it becomes much more difficult to estimate future cost and one of the what are the necessary things behind estimating cost and insurance is quantify ability when you make benefits without maximums it becomes much more difficult to quantify we struggle with that on the medical side because it is unlimited and that and the medical side is also subject to large increases in inflation so it's it's always increases increasing and it's unquantifiable so it becomes very difficult to keep track of that cost and that's one word of caution if whatever transpires in in the legislation if we if it can be done so that we can quantify cost more easily that would be better...

Chair Lee:

One of the things that was mentioned by several of the people at the roundtable were that an in-depth actuarial study should be considered? What is your...

Mr. Schnabel:

Well...

Chair Lee:

Oh go ahead...

Mr. Schnabel:

Like I like I mentioned earlier because of the lack of data you you can have a team of actuaries looking at it but without large quantities of historical data any conclusion they come up with is going to be not very good so at the end no

matter what studies we do at the end we're probably going to have to just come up with estimates and just monitor that over time...

Chair Lee:

Understood okay. Thank you very much. Also at this time we have representatives from the Society for Human Resource Management Joanne

Muna and Mayor Doris Flores Lujan they can join us and just provide your testimony. Go ahead Ms. Muna...

Ms. Joann Muna:

Håfa Adai (Hello) Senator thank you very much for inviting us to this roundtable. I'm glad to hear that everybody agrees that this is overdue in terms of at least looking at the sixty-six and two-thirds (66 and 2/3) average weekly wages not to exceed two hundred fifty dollars (\$250). More than twenty-five (25) years ago I've been working with workers comp that's where I first started within the Government of Guam and it's I'm sad that it's been such a long time that anybody really looked at this very important law. One (1) aspect is yes we do have to change the maximum of two hundred fifty (250) but I agree with everyone else there has to be a cap unfortunately our organization does not have a recommendation of a cap yet like everybody else we have to do a study we have to survey our members and we want to present something that is concrete and makes sense for the entire community but definitely we need to have a cap so with that said we don't like the whole strikeout of your draft so we will be preparing some recommendations. Additionally, Joanne from Department of Labor had stated that the Government of Guam employees get a hundred percent (100%) of their compensation my other role is I do work for the Guam Community College and it is true that we do give our employees who sustained an occupational injury or illness a hundred percent (100%) compensation through administrative leave there is a cap of ninety (90) days that is the one (1) major change that was made with workers comp in the past several decades I'm not sure that's what I would recommend for the private sector only because I believe even with utilizing that within the Government of Guam there are some gaps and holes so we may have to visit that as well I'm certainly interested in seeing what the insurance companies would like to propose one gentleman mentioned also Commissioner what Commissioner I think that not just looking at this section of the workers comp law I think we have to look at it as a whole because decisions made with the Commissioner who are the commissioners who are their make up what are their

roles also has to be looked at and change so my recommendation to you is perhaps you have a lot of very intelligent people in this room is maybe put together a working group from all the different industries and have that working group work together and see how they can is the group look at what are the areas of the laws that we can change what are some of the immediate changes we can make and maybe it's that sixty six and two-thirds (66 and 2/3) with a cap and then look at what are the long-term changes we can make as to the whole structure of the workers comp law and you are correct this is the one law that definitely inflect affects all employees and all employers. So the Society of Human Resource Management is more than happy to be a part of your working group but we can't do it alone we have to hear from the insurance companies we have to hear from the employers and we definitely also have to hear from the employees so I thank you very much for the start of the conversation.

Chair Lee:

Thank you very much and we also have ma'am if you want to just state your name for the record.

Ms. Margaret Cruz:

My name is Margaret Cruz and I'm representing the Guam Department of Education. What I would like to see here and this bill is something added on or amended to the bill because we have numerous employees in the department who are part-time limited terms I'm talking about one to one (1:1) school aides who work with special needs kids. Upon injuries the only compensation they get is medical bill and for therapy sessions or in order for them to get back into the work society. However, unfortunately they don't get compensated for the time that they're out due to injuries by students. So how can we help our employees to add that into or kind of like amend that and to part of the law because they don't get compensated for work for times lost.

Ms. Fullerton:

That is okay are these people under grants because that's the GDOE (Guam Department of Education) rule that's not ours. We would love to pay them but it's GDOE that's not paying them leave they don't earn leave they don't earn anything so is it in a grant? Is it it's a something that's written in one of your SOPs (Standard Operating Procedures) because we would love to pay them when

they go there is a few that don't get anything at all they've been working a long time for GDOE but GDOE doesn't give them they don't earn leave they don't earn sick leave and so when you don't earn enough of that you don't get any compensation from workers comp but maybe you need to talk to GDOE about that because they have to change their rules so they can pay them and earn leave. Is it a grant? See we don't know they just come when they're hurt they get beaten up and take care of them...

Ms. Cruz:

They're not covered by grants...

Ms. Fullerton:

So are you saying that we should have a section in the 22 GCA to cover them?

Ms. Cruz:

Yes, that would greatly help so that they can follow through and ensure that those employees do get that because it's not just one to one (1:1) aides but we also have limited term teachers as well...

Mr. Pablo:

Yeah you know Margaret back in the 90s like in 1995-96 DOE employees did not get temporary total disability. They never got the two hundred and fifty dollars (\$250) it was enacted upon your Department of Education regulations that state that they should not be getting that it was changed then you got the two hundred and fifty (250) then you started following. We had this problem back in the late 90s in regards to these one-to-one (1:1) aides not getting paid but basically they don't get work they don't get sick leave annual leave they get no benefits so that was based upon your statutes with the Department of Education. We would like to have help them provide them the compensation but because it was not in your statutes we could not have done so...

Ms. Cruz:

Okay only because as limited terms they don't earn leave...

Mr. Pablo

That's what I mean...

Ms. Cruz:

Right they don't earn any type of leave so when they don't work there's no type of leave afforded to them

Mr. Pablo:

But but if you would...

Ms. Cruz:

But it's not just DOE that follows that that strictly across the board we're limited so you know...

Mr. Pablo:

But you're the only ones that actually that we do not pay the TTD for if you're on if you're on a grant if you're under contract we will pay the temporary total disability until the contract expires okay but but DOE is the only one with employees that for the year (1), two (2) years or three (3) years one to one (1:1) aides particularly that that position don't get as a monetary compensation get medical compensation but not monetary.

Chair Lee:

Thank you. And Miss Cruz can you just for the record state your your role is it a DOE or are you here as a private individual?

Ms. Cruz:

My role there is the Equal Employment Opportunity officer and I'm also the designated Title IX coordinator for the department.

Chair Lee:

Thank you very much. And Mr. Schnabel had a comment.

Mr. Schnabel:

Basically as an employer, employee, and a tax payer I don't see any logic why the Government of Guam and their employees are under a different set of laws, benefits, and structure than the rest of us.

Chair Lee:

Thank you.

Mr. Schnabel:

John...

Chair Lee:

Mr. Bell, Attorney Bell.

Attorney Bell:

I think you know it's sort of a general comment. I wanted to address what quite frankly could be the elephant in the room and so what I would say is the insurance industry here is very well represented as they should be and so and and I will preface this by saying we want the insurance industry to do well we want them to stay in business and make good profits but I think maybe not not any intention on their part but without any finger-pointing or or blame I don't think the system has worked very well. I've talked to a lot of people from the insurance industry and even opposing counsels and everybody agrees that they're not happy with the way the system is working and everybody agrees that generally speaking for the injured worker they you know it's really tough to get their benefits you know it's a lot of it's it's basically an honor system with the insurance company adjuster they'll either pay the benefit or they don't and if they don't what does the employee do and frankly there's not much they can do about it and about once

a week I'm having people come to me and ask me for my help and I'm saying you know we really need to reform the system so but but that's maybe for another general discussion but the reason I bring that up now is because it what were saying is you know and I understand where the insurance companies coming from I certainly I'm I'm proposing a significant increase in benefits that's what the insurance industry I understand them to be saying is there should be a proportionate increase in the premiums that the employers pay I pay all of like three hundred dollars (\$300) a year for my five (5) employees which I think is really low and I'd be happy to pay a little bit more but what I would say is what I would look into is you know what is a reasonable profit for the insurance companies because I'm not saying that the insurance companies should bear everything I really want a good-faith discussion there's you know three (3) main parties you've got the employees you've got the employers and then you've got the insurance company and I think the question should be what is the appropriate balance and so I just don't think I should be taking it as a you know as gospel that whatever appropriate increase in benefits needs to you know correspond to exactly you know proportionate increase in premiums to the employers I'm not trying to go after the insurance company again I truly want them to make money but what I would say is there's something to look at because the numbers that I have seen I think there's annual reports and I'm afraid to quote but I will guesstimate what I thought I read which is something somewhere in the ballpark of fifteen million dollars (\$15,000,000) a year paid out in premiums and about five million dollars (\$5,000,000) a year paid out in benefits and so if I'm way off great I want to be educated on on exactly what the numbers are and how you know the insurance companies the employers such as the injured workers call all come to some round formula that everybody can live with.

Chair Lee:

Thank you very much. We also have the Director of DISID (Department of Integrated Services for Individuals with Disabilities) here with us so Mr. Servino do you have any remarks that you'd like to add to the conversation?

Director Ben Servino:

Thank you for the record my name's Ben Servino I'm the director for DISID. You know what I apologize for running late we're doing our NDEAM workshops this whole week but when I reserved when I received the bill on the draft bill I was a little concerned about the intent of why they were moving the maximum minimum and again trying to figure out what was the motive what was the intent

or was the process of thinking of that and I start to research the federal guidelines and they still have the maximum minimum rates for compensation of disability cases and for total or partial disability and may not exceed seventy five percent (75%) the basic monthly pay and then for the loss of again a total disability may not be less than seventy five percent (75%) so they're using that ratio the loss of body parts as I compared them with the rates that are in the bill they're basically similar but it's a little lower here than it is in the federal guidelines and I'm assuming maybe that's one of the reasons why this bill is being introduced to try to get up to par to the federal guidelines and at least be compatible to that most of the concerns that I've been handling for our constituents with disabilities involves again they're not knowing what the benefits are and especially for the contractors that are here when they employ people and then you know they have an incident an accident in their work site a lot of the employers don't really again advocate for their employees and some of our constituents come to me complaining they aren't given the information to make an informed decision about what their rights were and they were a total loss so I always have to refer them to the Guam Legal Services Corporation because again DISID is not an attorney we don't provide legal advice but we're just concerned again about the discriminatory acts that occurs as a result of them having this disability in the work site and the ADA is very clear again about the information from the workers comp claims that can't be used there to go out and try to pursue another employment opportunity and the employers cannot take that information from the working workers comp case unless they are given an opportunity for a conditional job offer so again the discriminatory concerns is one of the things that I've been brought to my attention from our constituents I just want to again to stress that the ADA issues and also the rates that I'm seeing from the federal guidelines are consistent to the one's that's being proposed

Chair Lee:

Thank you and you had something to add.

Ms. Lelani Baza:

Good morning my name is Leilani Baza I am the assistant Claims Manager at Century Insurance I am also the former administrator for the workers' comp commission. Thank you allow allowing me to speak. In reference to Mr. Servino's question as far as employers are concerned now that I went from the commission side to the private sector side I'm now with the carrier so I have a different view as far as the work comp system is concerned. In reference to employers not being

not having the adequate knowledge to inform their clients this is where the carrier's come in this is where at Century and I'm sure with the other carriers and at labor as well we do a lot of outreach we do training with our insurance, our customers, and clients and companies are welcome to contact our office if they doubt whatever advice we provide we refer them to the commission's office who also provides guidance so really it's a matter of putting out that information letting the employees know what is available by law you know from employers so I think awareness is very important we should all just kind of unite to spread awareness that way everyone's on the same page right so everywhere comp claim has three (3) parties a carrier and employer and insurance company so we all have to work together in addressing the issues here I am aware of Joanne she was there before I went there so I happy to see her here but if I it for Mr. Servino for your constituents coming in I would recommend that every company that has work comp insurance is given a notice board that is issued by the commission that's to be posted for their employees to see so encourage them please to find out who their work comp carrier is ask their employer their HR they can then direct them to the proper insurance company and they can be guided accordingly they should be able to be walked through so other than that instead of an attorney which by the way they're those fees come out of their own pocket then please you know utilize the commission's office call their carrier that's what we're here for to service the employees. I would just also like to make a few comments as far as the discussions that's being made here on the table is the raising the minimum maximum maybe eliminating it the TTD the compensation as well as disfigurement so the way I see it there is if the full pay when I was at workers comp they actually had that in place where a Government of Guam employees had full pay status when they are out of work as long and the only requirement was for doctor certification now in my experience there and Manny can relate because we work there together was that there was much abuse and fraud we're going to be realistic this is Government of Guam everything is budget driven there may not be enough funding and this can also be mirrored with the private sector when you're a person is injured and full pay status the way the work comp works is it's an automatic benefits a no-fault benefit and if it's covered the burden of proof of denying that claim is on the employer and the insurance company so by presumption of coverage that employee's automatically covered for workers comp benefits and the law tells the carrier what to pay and when to pay okay so they don't need we don't if there's any injured workers on this island that have that predicament call your carrier if your carrier is not listening call the Work Comp Commission that's what then that enforcement agency is for. So the purpose of the law is of course to eliminate the suits between the parties but also the goal of the carrier is to get that injured worker better full maximum recovery a system with the work comp benefits and back to the general workforce because we don't want that

employee to be someone from that has to be reliant on public assistance so as far as the the maximum minimum the compensation I agree 1988 1952 we do need to make some changes and I agree with Joanne not only that will those sections need to be changed but there's a lot of gaps and a lot of ambiguity a lot of gray areas in our work comp law and being in the field there's a lot of players here that can provide that valuable input and what those changes can be so the way I see it as far as the the compensation is the full pay is not going to cut it they had that in the government they removed it during the time I was in government and then when I left workers comp they put it back in place completely understand that the injured worker is going to is at a financial disadvantage but at the same time I agree with Nancy and everyone else around here that that is not going to prompt the injured worker to get better as a carrier and adjuster and working with work comp you're going to come across those injured workers that malingering that fraud and the purpose is that puts the employer and the insurance company in a predicament because not only do we have to hire an investigator hire our lawyer and have litigation and court fees but we also have to do surveillance we also have the burden of proof of disproving that work injury is legitimate by for example there are not enough specialists on island so because of that we have the burden and the responsibility not burden let me take that back the responsibility of taking care of our client so remember the objective is to get them better if we don't have specialists here and we've been trying to work with the healthcare providers to get them here we have to send them off island for example Philippines now that may be great for personal health insurance but they have no clue what the workers comp is all about they do not have they do not do impairment ratings using the American Medical Association guidelines they have no clue what the requirements are for us to properly compensate a claimant. Stateside a lot of them don't know where Guam is they don't trust the insurance companies and they just prefer that our client pays out of pocket so establishing relationships whether it be in the mainland or in the Philippines it's difficult and that puts us in a in a predicament as well. So just like there's that check and balance you have the rates the premium rates going to go up we we kindly ask that the office also look at the carrier and employer side in that the purpose of the law is to just to assist the employee or their in the injured worker get them better make them comfortable where they can still pay their bills and not have to worry about not paying their bills or getting their house foreclosed or whatnot but I truly believe that we should look at the Bureau of Labor Statistics Mr. Gary Hiles is excellent he we can get a statistical ten (10), twenty (20) year period of the cost of living the state average right and maybe hopefully we can set a minimum and a maximum you know and it's really to me the dependent of our economic environment as far as what what I wanted to share as far as a carrier side is is that I've just been writing like crazy so forgive me I think that that's basically

it is instead of just kind of looking at the full paid to me is completely not an option as far as sixty six and two-thirds (66 2/3) of the person's average weekly wage I still truly believe that's kind of right below full pay status I still feel there should be a maximum in reference to disfigurement I know that there is a proposal to go from ten (10) to twenty (20) and I ask that that entire statute not only the amount being set but the wording of it because it's a serious disfigurement of face, neck, and other parts that are visible during one's employment I think that's too general the reason why I say that is we feel that if a person first (1st) of all they get injured senator on their hand they're a construction worker carriers already paying a PPD permanent partial disability compensation aside from TTD right for that impairment okay for the loss of use of that impairment but then as a construction worker the doctor discharges that that employee he is able to go to full full regular duty so he's already being compensated for lost time in law and permanent impairment and then if we do disfigurement how was that disfigurement going to affect his ability to earn wages right he's still earning the same wages that he was before so another scenario we have a model who got injured let's say she had facial burns now as far as dis dis disfigurement I completely understand why we should compensate her as a you know a third (3rd) compensation mode because that is her ability to earn wages you know so I think the the the amount of disfigurement and this where it's a serious disfigurement I think that the definition itself should be incorporated in 9104 in the definition section of the of the law let's let's anyone can misinterpret serious disfigurement you know and instead of the and if we could kind of see whether or not that disfigurement add to the statute whether or not that disfigurement affects the person's ability to earn wages in the future versus it being visible in employment you know it just doesn't make sense. I have some clients come in and they have a cut and it's a scar and he's a construction worker he was demanding ten thousand dollars (\$10,000) how am I going to justify that you know how rash that's that just doesn't appear reasonable at all and he was compensated accordingly you know so that's just something that you know that I'd like to share thank you.

Chair Lee:

Thank you very much Miss Baza. Yes Attorney Bell.

Attorney Bell:

I do want to keep it short but since you know you know the issue of essentially kind of hinting at perhaps bad faith claims on on the part of employees has been

brought up and as an issue. I won't use the word bad faith but what I will say is again countless employees have come to me and it's the same story and you know they come you know usual part it's your employer? Yes. Did you go to the Workers Compensation Commission? Yes. And so the insurance will insurer won't pay it and so without getting to the agree details of every case there are employees today some of them I represent right now we're just denied a hearing. We've asked your hearing we just won't get one. Why not? No explanation we just won't get a hearing and so certainly the employee's the one that loses right when the system is not working for whatever reason if the systems not working they don't get a hearing you know the insurance company is there okay you know they they keep those that money the employer doesn't care you know a lot of times the employer has fired the employee and so he's really loses out by the system not working is the employee and so I think that's a real problem I think it's and I really tried to save this discussion and certainly a well the adopts the Senator you know but it's brought up and understandably how do you I want the system to work well for the employees and I want them to get hearings and I want them to have you know some meaningful recourse and so and and admittedly and that will probably increase payouts and so absolutely and I really I'm trying to really true truly be very transparent about this that means the insurance companies are going to be paying little bit more and so I'm totally fine with checks and balances on both sides absolutely I mean and and the underlying problem that I think can be addressed is if the mechanics of the system just work well right ideally and I truly mean this oh my gosh I have better things to do than workers comp I really don't want to I'm not even kidding I don't want to do workers comp but employees come to me literally once a week on average with the same story about how they reported it they did everything that they're supposed to do but there's just nothing that they can do they can't get a hearing and so they have to come to me because they've been to workers comp and you know nobody will help them and so you know in short if there's this due process and and on both sides right that's a mutual thing I've actually a bit surprised it's been refreshing to talk to defense counsel's and there oh man you too I feel the same way you know I wish we just just get it hearing it and everything worked a little bit better so I think that will address that you know if we weren't I think obviously workers comp claims should be adjudicated on the merits and so they should actually be have their chance to actually have whatever you know for administrative hearing officers the board you know as it's designed you know with a medical officer there or medical doctor you know a lawyer and other people from the community the problem in from my perspective for you know speaking on behalf of literally dozens of people with the same story is that they're not able to even get that they're not getting a hearing they're not getting their day in not in court but they're

not getting that hearing to determine whether in fact as a matter of fact and law they are entitled to workers comp benefits so...

Chair Lee:

Thank you Attorney Bell. You also mention I think in your testimony

Attorney Bell:

Sure...

Chair Lee:

That you wanted to discuss the funeral benefit you recommended a funeral benefit?

Attorney Bell:

Sure and in preparing for today I just kind of looked at you know all the different compensation levels and so I have compared to two (2) other states as well. Funeral expenses on Guam it's three thousand six hundred dollars (\$3,600) and so my proposal is ten thousand (\$10,000) I know that's the big increase but in New York it's ten thousand five hundred (\$10,500) and it's I think it's worth noting that our statutory scheme is essentially adopted from the New York scheme in New York and or longed-for and so they're they're all related but basically New York's workers comp scheme so in New York they get ten thousand five hundred (\$10,500) and California's ten thousand (\$10,000) death benefits Guam is two hundred fifty thousand (\$250,000) sorry Guam is I believe it's a hundred thousand dollars (\$100,000) honestly I didn't I did the weekly thing but it's a hundred thousand dollars (\$100,000) I'm proposing two hundred fifty thousand dollars (\$250,000) right if the employee died it's something that's that's somebody's life I understand it's a not a--make whole system but you notice just to say that this isn't out of left field in California it's three hundred and twenty thousand dollars (\$320,000) based on my preliminary research. New York it's eight seventy (\$870) a week to the family and I will and I and I know that there's going to be sticker shock here but I'm proposing for lifetime disability for the injured employee it's a hundred thousand dollars (\$100,000) and think about that for a moment if you're a twenty two (22) year old warehouse worker for example or nineteen (19) year old it's not inconceivable I worked blue-collar jobs until I was thirty (30) years old I have a

bad back I never filed a claim I should have but you get the idea imagine you're twenty (20) years old you break your back literally I have had a client with a crushed spine that kid is gets one hundred thousand dollars (\$100,000) for his entire life to feed himself and his family my proposal is definitely big it's five hundred thousand dollars (\$500,000) but again that's the lifetime and you do the math five hundred thousand dollars (\$500,000) over maybe another seventy five (75) years of this person's life you know theoretically and so that is a big number I certainly understand there would have to be give and take as well in terms of raise premiums and stuff you know no problem. I can only speak for myself as a small business employer. I am the cliché small business just trying to you know buy used furniture and and you know buy the cheapest coffee and try to stay in business but I certainly would be happy to pay more in premiums so that my employees have real meaningful remedies available to them.

Chair Lee:

Thank you Attorney Bell. Also Director Servino you were mentioning the National Disability Employment Awareness Month did you have any other input that you want to share with the community about upcoming events or activities before we wrap?

Director Servino:

Yes, thank you tomorrow we're having a one-day conference at the Hotel Nikko targeted to employers and job seekers with disabilities and this is all free we'd like you to come and attend. We have a series of workshops throughout the month focusing on reasonable accommodation issues the obligations for employers and federal contractors under the section 503 requirements and then at the end of the month we're going to have a job fair targeted just for constituents at our office so it's in our website go to www.disid.gov and it's all there. Thank you.

Chair Lee:

Thank you very much. I'd also like to ask if Attorney Diaz could join us at the roundtable and perhaps summarize her article and if just another general invitation if there's anybody in the room today who would like to go on record or speak for this roundtable hearing its kind of a last call. Please let staff know.

Attorney Geri Diaz:

Thank you senator for having me today. Thank you so much for taking an interest in taking a look at the workers' compensation laws here in Guam. I'm with Camacho Calvo Law Group and just in terms of my background I moved back to Guam in November 2016 after having been away for about twenty (20) years and while I was in the States I was a worker's comp defense attorney or where I handled workers' compensation claims and I represented a number of insurance companies and employers. And so it was quite eye-opening to come to the island and the first thing I looked at when I you know looked at the code was what is what's going on with workers comp and I was quite shocked at the fact that the rates hadn't been changed since the 1980s and so I wrote a few articles one of which is this workers comp reform article and the basis for that is these temporary disability benefits that we're talking about they're meant to ensure that our injured workers have enough time to adequately recover from their medical injuries and not have to rush back to work and there's so many reasons why they should take the time to recover and still be able to support their families to pay their bills put food on the table so the benefit that had the benefit for the employment the employee the employee or the injured worker is that they get to still have some sense of dignity they're not relying on the system in terms of public assistance or do you like that they can still feed their kids and for the employer I mean if you've got a really good worker who you really want them to get back to work instead of having to hire somebody else or to train somebody else to cover that position you want to make sure that they're not rushing back because if they do rush back who knows what other kind of injury they may sustained or they may aggravate the injury that they already have and so I'm really happy that you're taking the time to look at this I like the idea and I forgot your name I'm sorry you're with SHRM, Joann I like the idea of having a a roundtable discussion with all the major heads the insurance companies the employers the employees and everyone affected to put the numbers together and figure out what works because we need to make sure not only that we take care of our injured workers but also that the insurance companies don't go bankrupt so when I was practicing in the States there were two (2) major reforms and they had to go through these reforms because you can never get it right the first (1st) time and so with the first (1st) reform they increased benefits and they realize oh that didn't work because the insurance companies their rates were going up the employers were complaining they couldn't afford worker's comp insurance and so what the second (2nd) reform rates went down the injured workers suffered a little bit in terms of benefits but they're making it work with these little changes as you go through. So I will be

submitting something to you with regard to everything that was said today and giving you my input but thank you for your time this morning.

Chair Lee:

Absolutely, thank you very much. And really thank you to everyone for being here today for providing your expertise and your insight on how we should move forward with updating this law your time and your input is essential as we look to bring workers compensation levels up to date and updating these rates will ensure that any of us who might find ourselves in unfortunate circumstance of being injured and disabled on the job would be appropriately supported as we make our recovery as I work on legislation to update sections 9107 and 9109. Your comments here today and all the ones that I receive in writing will certainly be taken into account. And so I'll be working with the committee to review this roundtable hearing and all the ideas and discussion that we had today especially the idea of coming back and having additional working group sessions with all the stakeholders. We know that there are other areas of the workers comp law that need updating as well and I look forward to hearing from you after today on your suggestions for that. So with that I just want to say Si Yu'os Ma'åse' Todus Todos Hamyu Pot I Finatan Miyu' Pa'go (Thank you all very much for being here today) this roundtable hearing is now recessed I'm sorry adjourned at **11:19 a.m.** Individuals who wish to submit additional testimony will have ten (10) days from today to do so by emailing it to senatorbiscoelee@guamlegislature.org or you may hand deliver it to my office right here at the Guam Congress Building 163 Chalan Santo Papa in Hagåtña, Guam. Si Yu'os Ma'åse' (Thank you) and God bless you all. Thank you.

The public hearing was adjourned at **11:19 A.M.**

Senator Thomas C. Ada,
Vice Chairperson

Speaker Benjamin J.F. Cruz,
Member

Vice Speaker Therese M. Terlaje,
Member

Senator Frank B. Aguon, Jr.,
Member

Senator Telena C. Nelson,
Member



Senator Dennis G. Rodriguez, Jr.,
Member

Senator Joe S. San Agustin,
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Senator Michael F.Q. San Nicolas,
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COMMITTEE REPORT CHECKLIST

Part 1 / 1

ROUNDTABLE HEARING on Review of Compensation Levels in the Guam's Worker's Compensation Law By Senator Régine Biscoe Lee Date of hearing: Tuesday, October 10, 2017 @ 10:00 a.m.		
(A) PUBLIC HEARING	(1) HEARING NOTICES SR §§ 6.04(a)(1) and 6.04(a)(2), Open Government Law (5 GCA, Ch. 8)	
	<input checked="" type="checkbox"/> (a) Five (5) working days prior (ALL Senators & ALL Media)	Date and Time of Notice: Tuesday, October 3, 2017; 10:34 a.m.
	<input checked="" type="checkbox"/> (b) Forty-eight (48) hours prior (ALL Senators & ALL Media)	Date and Time of Notice: Friday, October 6, 2017; 9:43 a.m.
	(2) Date and Time of Hearing: Tuesday, October 10, 2017 @ 10:00 a.m.	3) Location: Guam Congress Building, Public Hearing Room
(B) COMMITTEE REPORT	(1) Committee Report filed with COR? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Date & Time: Monday, November 6, 2017 @ 11:06 a.m.
	(2) COMMITTEE REPORT COMPONENTS	
	(a) Front Page Transmittal to Speaker	<input checked="" type="checkbox"/>
	(a)(1) COR Chair Signature Line	<input checked="" type="checkbox"/>
	(b) Title Page	<input checked="" type="checkbox"/>
	(c) Notice of Public Hearing & Other Correspondence	<input checked="" type="checkbox"/>
	(d) Public Hearing Agenda	<input checked="" type="checkbox"/>
	(e) Public Hearing Sign-in Sheet	<input checked="" type="checkbox"/>
	(f) Written Testimonies & Additional Documents	<input checked="" type="checkbox"/>
	(g) Committee Report Digest(s)	<input checked="" type="checkbox"/>
	(h) Related News Reports (optional)	<input checked="" type="checkbox"/>
(i) Miscellaneous (optional)	<input type="checkbox"/> N/A	
(j) Committee Report Checklist(s)	<input type="checkbox"/> N/A	
	Originals	<input checked="" type="checkbox"/>
	Single-Sided	<input checked="" type="checkbox"/>
	Letter Size	<input checked="" type="checkbox"/>
	No Staples/ Paper Clips	<input checked="" type="checkbox"/>
(C) COR Action	<input checked="" type="checkbox"/> CMTE Report duly filed <input type="checkbox"/> CMTE Report non-conforming for acceptance; Return to Committee	COR CHAIR (Signature, Date & Time) 9.10.17 10:30AM.

