



Ninety-Ninth Legislature - Second Session - 2006
Introducer's Statement of Intent
LB 1218

Chairperson: Douglas Cunningham
Committee: Business and Labor
Date of Hearing: February 6, 2006

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1218 makes a change to the Nebraska Workers' Compensation Law.

Currently, Section 48-115, paragraph (2) of the Nebraska Workers' Compensation Law defines eligibility for compensation. This section is responsible for permitting out of state employees to collect Nebraska benefits.

This unique problem distorts the Nebraska system by providing:

1. An incentive for employers *not* to purchase the required insurance in multiple jurisdictions.
2. An artificial inflation in Nebraska's rates through the unnecessary increase in claims for injuries incurred in other jurisdictions without corresponding premiums.
3. Increased expenditures to Nebraska businesses through a forced subsidy of others' costs outside the state.

This proposal offers a simple solution and eliminates the loophole allowing non-Nebraska workers to "cherry pick" Nebraska's system.

The changes proposed in LB 1218 will not affect the ability of the Nebraska worker to collect benefits.

Principal Introducer:

Senator Pam Redfield