

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

March 22, 2000 LB 1119

assigned risk plan and tender of the required premium. A couple questions on that. If an assigned risk employer is charged a more expensive premium than he or she has paid in previous years, what mechanism would the assigned risk employer have to resolve that dispute?

SENATOR LANDIS: Good question and, by the way, Dwite, this actually comes out of a particular case. I think we could agree to that.

SENATOR Dw. PEDERSEN: Yes.

SENATOR LANDIS: Wouldn't that be fair to say? Let me tell you what the due process is and then let me tell you the story of this particular case because I think it's an insightful piece. There are essentially four levels of review or possible action where an employer and a workers' comp company can't agree or what they don't think...they don't agree on what the right amount of the premium should be because the company thinks that it should get a better rating. It's in a...it's a safer company. It doesn't deserve to be treated in the way that the workers' comp insurer is charging. And the first is an internal review between the risk employer and the...I'm sorry, the employer and the workers' comp carrier. This last year we've been using Wausau. It would be, for example, your constituent and Wausau. Secondly, there is a Department of Insurance team review. Now, this does have to be voluntary and it has to be voluntary on both parts. Both the employer and the insurer have to agree to take part for an internal team review, and this is where the staff is responsible for regulating work comp, called together, review the materials with both parties, go through them and serve, if you will, as a translator or as a mediator in the sense of trying to work things out. If that second level is unsatisfactory there's a third level and that's an administrative hearing, and the administrative hearing is in front of the director of the Department of Insurance and, by the way, Senator Jo...or, rather, Governor Johanns has selected, I think, a very balanced, fair, forward thinking and a fine administrator in our current Director of Insurance Tim Wagner, so I have a lot of faith in this man, and the third level is an administrative hearing in front of Director Wagner. It is a formal administrative hearing. It is conducted according to the