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## **MSIA LEGISLATIVE ALERT - BIG, BAD WORKER'S COMPENSATION BILLS DIE IN LAME DUCK**

MSIA is happy to report the proposed Legislative changes to the Worker's Compensation Act, were successfully stopped and died in Lame Duck. After a highly charged and intensive Lame Duck session in both the Senate and the House, the Democratic Michigan House of Representative and the Senate, were unable to get their anti-business, anti-employer, complete overhaul of the Worker's Compensation Act to the floor for a vote in either chamber.

**What happened?** The Michigan legislature has for the past 2 years been actively considering several bills to change the Worker's Compensation Act that was most recently amended in 2011. When the Democrats won full control of the Michigan government for the first time in 40 years two years ago, it was believed that new legislation would be introduced to change the landscape of worker's compensation in Michigan. The first hearing was held in March of 2023 at the MI Senate before the Labor Committee chaired by Senator Cherry. That hearing was entitled, "The Status of Worker's Compensation in the State of Michigan." MSIA was not invited to speak at the hearing. However, we attended and listened as numerous plaintiff's lawyers and their clients testified as to the "huge injustices" they faced by the inadequacy of the law in Michigan and how sweeping changes were necessary. The Senate Labor Committee, made up of 3 Democrats and 1 Republican, led by Democratic Chair Cherry, assured the workers testifying that they heard their concerns and would act accordingly.

Fast forward more than 1.5 years later with matters heating up substantially post the November election when the Republicans gained control of the MI Senate. What ensued was a wild lame duck session that ended up being more about drama than a passage of the avalanche of policy bills that were awaiting passage; the Worker's Compensation proposed legislation, Senate Bills 1079-80 being two of those bills. MSIA spent endless hours partnering with a coalition of employer interested groups to sound the alarm bells on members' behalf on what these changes would mean to the employer community. MSIA actively meet and assisted in educating lawmakers on the glaring problems with the bills and the nonsensical results that would occur if the Bills were passed.

Specifically, MSIA representatives, on behalf of its members, testified before the MI Senate on December 5, 2024. MSIA advised the Labor Committee on how Senate Bill 1079, in its redefining the definition of disability in MI, would have significant, detrimental cost implications on the employer community. The key target on both sides was how disability would be defined going forward, what it currently was, and what the changes would mean. MSIA testified that the Worker's Compensation Act's practical application of the partial vs total disability concepts, had been wrongfully characterized by the employee's representatives, the plaintiff's lawyers, as "phantom wages." MSIA testified as to the history of these legal concepts and the illogical results that would ensue if every injured worker was



deemed “totally disabled,” without taking into consideration the very real possibility there was work that injured employee could perform.

After a lengthy day of testimony before the Senate, that had both sides testifying, along with the Director of the Agency, the Senate adjourned. The Committee reconvened the next week and voted 3-1 in favor of the Bills to move them out of Committee. However, despite an all night fight on this and numerous other Bills, Senate Bills 1079-1080 were never formally introduced on the Senate floor for a vote. Likewise, the House Bill (where no hearings had been held), also never made it to the floor for a vote after the chaos that ensued when House Representative Whitsett walked out of and shuttered the House for lack of quorum.

**Bottom line? The proposed Worker’s Compensation bills died in Lamé Duck. MSIA took an active role in stopping the passage of these bills which would have gutted the Worker’s Compensation Act in Michigan. IT’S A HAPPY NEW YEAR FOR WORKER’S COMPENSATION IN MICHIGAN!**

Any comments, questions or concerns can be directed to the MSIA Executive Secretary, Dawn Droblich at: [ddroblich@laceyjones.com](mailto:ddroblich@laceyjones.com)