



# WEEKLY REPORT

State Senator Gary Nodler  
District 32



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**Week of March 24, 2008**

## Immediate Considerations for Missouri's Second Injury Fund

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Recently I discussed with you a piece of legislation I have sponsored that would help to find a long-term solution to the pending insolvency of Missouri's Second Injury Fund, which pays for injuries suffered on the job by people with previous injuries or existing disabilities. Two recent reviews of the fund have found that the Second Injury Fund will run out of money within, at most, the next two years. The legislation I have proposed would return this fund to its original purpose of encouraging employers to hire wounded military veterans who have been injured in combat. However, the issue of the fund's financial instability needs to be addressed on two levels: fundamental repairs to the law governing the fund, and an immediate reduction on the demand placed on the fund's cash flow so that it can continue to operate.

The stress currently placed on the Second Injury Fund has to do with the fact that the attorney general's office, without the consent of the General Assembly, increased the maximum amount that the state pays out towards settlements on claims from \$40,000 to \$60,000. The original purpose of this scheme was to reduce the lifetime obligations of the fund, but this was not the result. The workers receiving these payouts did not benefit from the increases because they ultimately get less compensation, and the state does not benefit because higher payouts only strain cash flow. This move only benefits the trial attorneys taking these cases because they receive higher lump sum payouts.

With the House nearing completion on the budget bills for fiscal year 2009, the Senate will soon begin serious work on the state's spending plan. It is imperative that we address the Second Injury Fund's lack of cash flow so that the fund can continue to operate. One fundamental reform that we can address during the appropriations process is rolling back the \$60,000 settlement cap back to the original \$40,000 maximum. Secondly, we need to take away

the authority to overspend. While the Legislature continues to work on a comprehensive, long term solution to return the fund to solvency, we can do the responsible thing and address immediate concerns through the budget process.

Unfortunately, there is a long history in this state of allowing trial lawyers to disproportionately benefit from the Second Injury Fund. This does not benefit Missouri's injured workers or our state. It is my goal in the coming months to continue to address this problem through comprehensive legislative solutions as well as immediate budgetary fixes.

*Senator Gary Nodler represents the people of Newton, Jasper  
and Dade counties in the Missouri Senate.*