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## Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business  
In Opposition to House Bill No. 5474  
An Act Relating to Labor and Labor Relations – Worker’s Compensation Occupational Diseases  
March 1, 2021

Chairwoman Williams and Members of the House Committee on Labor:

My name is Christopher Carlozzi. I am the Rhode Island Director of the National Federation of Independent Business (NFIB). A non-profit, non-partisan organization, NFIB is the nation’s and Rhode Island’s largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across the state. On behalf of those small and independent business employers in Rhode Island, I urge you to oppose House Bill No. 5474, creating an unverifiable presumption that essential workers contracted COVID-19 in the workplace.

Workers’ compensation insurance does not traditionally cover community spread illnesses because of the inability to directly connect them to the workplace. This means if a worker contracted a highly infectious illness like the flu, there is no way to prove it was tied to their job. Not to say there is anything routine about the deadly coronavirus, but the virus’ highly infectious nature means workers could be infected anywhere like public transportation, through a family member, while out shopping, or even walking through a crowded public area. The highly infectious nature of this respiratory virus is in no way being questioned and the reason Rhode Island mandates face coverings for all residents in public settings, not just essential businesses. Health officials urge people to use face coverings, even when outside in parks or bike paths, because an individual is susceptible in most daily scenarios outside of the workplace.

Small businesses have experienced extreme financial hardship during this crisis, some were shuttered for months and are still experiencing significantly reduced revenue. Workers’ compensation insurance is something the vast majority of businesses in the state must purchase in order to operate. This legislation could lead to spikes in insurance rates for any employers with workers diagnosed with COVID-19, even though it would prove near impossible to demonstrate the employee contracted the virus in the workplace.

Increasing costs for small businesses would hinder efforts to operate their shops while harming the state's economic recovery. Rhode Island is still experiencing one of the highest unemployment rates in the nation and small businesses are trying to rehire staff and keep the state employed. House Bill No. 5474 would unfairly leave employers with little recourse in the instance one of their workers is diagnosed with COVID-19. They will lack the ability to prove the virus was contracted in locations other than the workplace like on public transportation, at a family function, at a health appointment or a whole host of other locations that are not their places of employment.

Instead of passing bills that will further financially burden struggling small businesses, lawmakers should instead discover ways to provide liability protections. In 2020, NFIB surveyed our members nationwide and found nearly 70% of small businesses were concerned with potential liability claim increases. In a letter to Congress, NFIB suggested they include protections for businesses through federal legislation, but this has yet to occur. House Bill No. 5474 could very well overwhelm the worker compensation insurance system, resulting in rate spikes for small employers still recovering from the financial damage inflicted by the pandemic.

Small businesses are taking every step imaginable to ensure their workers and customers are safe ever since businesses were allowed to begin operating again. They are adhering to all of the mandated state guidelines and protocols in regard to distancing, face coverings, and sanitization, and doing their part to reduce the spread of the virus while keeping the state economy going. To prevent added financial strain on small businesses trying to survive the pandemic, I urge you to reject House Bill No. 5474. Thank you.