

PROPOSED WORKERS' COMPENSATION INSURANCE RATES WOULD DROP FOR FIFTH CONSECUTIVE YEAR

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TALLAHASSEE (8/24/2007) Florida Insurance Commissioner Kevin McCarty announced today he has received the latest rate filing for workers' compensation insurance rates due to become effective next year. The filing calls for an overall average rate decrease of 16.5 percent statewide, which would produce a savings of over \$650 million for Florida employers.

If approved, the rate decrease would be the fifth consecutive drop since the Legislature passed sweeping reforms to the state's workers' compensation system in 2003. The cumulative overall statewide average rate decrease since 2003 would total -50.4 percent.

"Every sector of our economy is going to benefit from a more affordable workers' compensation marketplace," said McCarty upon receiving the filing. "It is great news for both employers and employees because benefits are being delivered more fairly and efficiently, and our employers are paying lower rates. The reduction of fraud and abuse in the system is certainly paying off."

Prior to the legislative reforms, the State of Florida consistently ranked #1 or #2 in the country for the highest workers comp rates; however, post-reform, Florida has dropped out of the top 10 rankings.

The National Council on Compensation Insurance, which produces and files rates for insurers in many states, said the rate decline was primarily due to a significant drop in claims frequency and a reduction in the costs of claims.

A rate hearing on the filing will be scheduled by the Office of Insurance Regulation in October, and the rate change would be effective for new and renewal business as of January 1, 2008.

The law passed in 2003 instituted provisions for enhanced fraud compliance and revised permanent and temporary disability definitions. It also set new parameters for attorney and physician compensation and improved dispute resolution procedures, in addition to making many other improvements to the system.

Florida's Workers' Compensation system had been weighed down with high liability coverage costs for employers and low benefits for injured employees.