



NEW YORK STATE SENATOR

Fred Akshar

7.18.18 - Senator Fred Akshar joins local business leaders and the Business Council to announce major savings to the state's Workers' Compensation system

FRED AKSHAR July 18, 2018

| ISSUE: **WORKERS' COMPENSATION REFORM**



(KIRKWOOD, NY) – Senator Fred Akshar joined local business leaders and The Business Council of New York State at Willow Run Foods to highlight over a billion dollars in savings for New York State employers due to the workers' compensation reforms passed in 2017.

New York Compensation Insurance Rating Board recommended an 11.7 percent reduction in loss cost rates, which are the basis for setting workers' compensation premiums for 2019. This week, the New York State Department of Financial Services approved the reduction,

effective October 1, 2018.

The newly approved 11.7 percent reduction will result in significant workers' compensation savings for most New York employers next year. This reduction, coupled with the 4.5 percent rate cut achieved in the first year of the 2017 reforms, means overall system costs will be reduced by upwards of one billion dollars.

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Senator Fred Akshar said, “Real solutions come from working together at the ground level. When I first took office, my Small Business Advisory Council identified Workers' Compensation costs as one of their biggest problems in New York's abysmal business climate - New York has some of the highest Workers' Compensation costs in the nation. That's when we went to work. Many in Albany thought it could never be done, but we brought all the stakeholders to the table: statewide business groups, labor unions, the New York State Trial Lawyers Association, the Medical Society of New York and various insurance companies. Through hard work and compromise we were able to produce tangible results and real savings for our New York businesses without hurting the rights of injured workers.”

The reforms passed in 2017 capped classification of Maximum Medical Improvement, reigning in the high costs associated with the needless delay of claim finalization. The adoption of new Impairment Guidelines for scheduled loss of use awards, which eliminate certain unnecessary monetary bonuses associated with certain injuries and treatments are set to render savings to the system. The anticipated adoption of a pharmaceutical formulary will likely do the same.

The reforms achieved balance by enhancing coverage for injured workers through decreasing the threshold for the permanent partial disability cap “safety net”. The reforms also removed the requirement that an injured worker, who was entitled to benefits and attached to the labor market at the time of classification, demonstrate attachment to the labor market.

Heather C. Briccetti, Esq., president and CEO of The Business Council of New York State, Inc., said “These savings are the culmination of months of hard work and advocacy by The Business Council and our members and would not have been achieved without the relentless push by key legislators including Senator Fred Akshar. We extend our appreciation to legislative leaders, especially Senate Majority Leader Flanagan, for assuring the bill was included in the final FY 2018 budget deal. New York businesses are suffering under the weight of high taxes, unnecessary regulations and out of control health care costs – that is why these savings are so desperately needed. The fact that we were able to achieve these cost savings while ensuring high-quality medical care for injured workers makes these reforms all the more significant. We cannot thank Senator Akshar enough for his tireless advocacy on this issue, and we are proud to stand with him today to tout these very significant reforms.”

Jennifer Conway, President & CEO of the Greater Binghamton Chamber of Commerce, said, “The Greater Binghamton Chamber of Commerce worked very closely with Senator Akshar and other pro-business organizations for workers compensation reform. The reform is having a snowball effect and has now saved nearly 1.5 billion dollars annually in insurance premiums since it was passed. This is a huge win for the businesses and the citizens of New York State. We need to continue to fight for reforms such as this to create a stronger business environment.”

Terry R. Wood, President and CEO of Willow Run Foods, Inc., said “While operating in a New York State environment that is often hostile and lacking in any meaningful support for the business community, it is encouraging to know that Senator Fred Akshar is working diligently to make things better for everyone. His yeoman like work on Worker’s Compensation is a great example of his efforts to enhance the business climate and improve life for all of us in upstate New York.”

Gwen Kania, President & CEO of the Tioga County Chamber of Commerce, said “We appreciate the legislative action taken to lower Worker Compensation rates. Lowering the costs of doing business within the New York State is important to all of our businesses.”

Steve Craig, President & CEO of Commerce Chenango, said, “The successful effort to roll back Workers Comp costs is a powerful example of how the interests of businesses across a wide

range of industries can be aligned and focused to achieve a meaningful public policy result. Congratulations to all who kept this issue alive."

Ray Pucci, President of the Delaware County Chamber of Commerce, said "The Delaware County Chamber of Commerce applauds Senator Ashkar's leadership in advocating for lower Worker Compensation rates. These reductions will allow Delaware County entrepreneurs, who often endure additional regulations and costs associated with being in the NYC watershed, to invest these savings in their businesses. We look forward to working with the Senator to continue strengthening our local economy."

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Akshar added, "I sincerely thank our partners with the Business Council of New York, our local chambers of commerce in Broome, Tioga, Chenango and Delaware counties and all our local business who helped fight for these reforms. There's still much more to do to make New York more competitive and business friendly, but thanks to these hard-fought reforms, New York's business climate is finally becoming a bit brighter and more affordable for the people we represent."