



NEW YORK STATE SENATOR

William Larkin

## Workers' Compensation Rates To Drop By Record 20.5%

[WILLIAM J. LARKIN JR.](#) July 12, 2007

Senator Bill Larkin (R-C, Cornwall-on-Hudson) today announced that rates New York businesses pay for workers' compensation insurance will be reduced by more than 20.5% saving them about \$1 billion in the 2007-2008 fiscal year. The rate drop stems from the historic reform of the Workers' Compensation Law earlier this year.

Based on changes in the workers' compensation law the Senate fought to enact this year, the New York State Insurance Department has ordered a 20.5% decline in workers' compensation insurance rates for the fiscal year beginning July 15.

"In addition to significantly reducing premiums for business owners, this news means that injured workers will also receive increased benefits," said Senator Larkin. "Reform such as this will help us reach our goal of making New York State, especially upstate, more business friendly. It will encourage new businesses to come to New York and keep others here that are considering leaving the state."

The lower rate is possible largely because of the passage of the 2007 Workers' Compensation Reform Act, cosponsored by Senator Larkin, which included a number of reforms designed to substantially decrease costs, increase workers' weekly benefits and improve system performance.

The reform package: Increases maximum weekly benefits by 75% for injured workers, but still lowers employer costs significantly by creating fair limits on the benefit duration; Eliminates the Second Injury Fund, which creates stronger incentives for carriers and employers to control risk, reduce claim frequency and settle cases at reduced cost; Speeds resolution of disputes and lowers the costs of administering the workers' compensation system; Requires evidence-based treatment guidelines that provide more effective medical care at lower cost. Workers will recover more quickly and more completely so they can return to work earlier and be more productive when they are back on the job; Produces pharmaceutical and durable medical equipment (DME) fee schedules and networks that reduce high drug and equipment charges; Enacts a diagnostic fee schedule and networks that will reduce the cost of MRIs, CAT scans and other tests and; Adds tough anti-fraud provisions designed to reduce bogus claims and other misconduct.