



NEW YORK STATE SENATOR

Liz Krueger

Worker's Compensation Bill Passes Senate

LIZ KRUEGER March 5, 2007

Krueger Hails Package as a Victory for Business and Labor

Albany—State Senator Liz Krueger is pleased to announce that the Senate today passed the Worker's Compensation Bill, a comprehensive package of reforms to the state's workers compensation system that addresses many chronic problems with this system.

"This was an instance where everyone knew that the system was broken. All the major players came together, gave a little here and there, and agreed upon a worker's compensation package that will prove to be a significant benefit to our state's workforce and economy," Krueger said.

The bill has the support of the New York State Business Council and AFL-CIO because it begins to allow labor and employers more control over a system that has long been dominated by the insurance industry.

"For years, New York businesses have faced some of the highest workers compensation premiums in the country, while benefits for workers have been among the lowest," Krueger said. "Labor and business have both spent more than a decade calling on us to fix this broken system. By rationalizing the workers compensation payment system and cracking down on companies that are evading their responsibilities, these reforms can save businesses 10-15%

on their premiums, while at the same time allowing for significant increases in benefits to injured workers."

Among the key components of the legislation are:

Increases the maximum weekly benefit for injured workers from \$400 to \$600 over three years, and thereafter indexes the maximum weekly benefit at two-thirds of the average weekly wage;

Imposes term limits on payments for "permanent partial disabilities", which currently are unlimited, while continuing unlimited coverage of medical services;

Creates tougher civil and criminal sanctions against employers who fail to secure or obtain workers compensation coverage for their employees, and carriers who violate the law while obtaining additional savings in the Workers Compensation program, which are to be directed towards premium reductions;

Phases out the Second Injury Fund for future cases, which is now funded by assessments passed through to employers. This fund was originally set up to help injured World War II veterans, but had become a loophole used by some insurance carriers to avoid paying claims;

Substantially improves the workers compensation administrative process by 1.) increasing the role of the Superintendent of Insurance to take a leadership role, collect relevant data and streamline the administrative process; 2.) requiring initial determinations to be made within 90 days; 3.) updating medical protocols for consistency and best practices and 4.) improving access to claimants for appropriate imaging services.

"In just over two months in office, Governor Spitzer was able to get the support of the business and labor communities. This is how government is supposed to work—collaboratively solving problems, not leaving them for someone else to deal with," Krueger concluded.

