

TEXT FOR WEB

**Office of the Governor – STATE OF VERMONT
FOR IMMEDIATE RELEASE**

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**SUBJECT: GOVERNOR ANNOUNCES LOWER WORKERS'
COMPENSATION INSURANCE RATES -- RATES DROP FOR SECOND
STRAIGHT YEAR**

Montpelier, VT – Governor Jim Douglas today announced that for the second straight year most Vermont employers will see lower workers compensation costs when new rates approved by the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) become effective on April 1, 2008.

Rates for loss costs in the voluntary market – the competitive market offering the most favorable rates – will decrease by an average of 4.2%. Loss costs are the primary component of workers' compensation rates. This is the largest decrease in voluntary market loss costs in Vermont since 1998.

Rates in the assigned risk market – the market for employers unable to obtain coverage in the voluntary market – would decrease by an average of 4.2% as well.

Governor Douglas said high workers' compensation insurance costs are a barrier to job creation and lowering them remains a priority for his administration. "Workers Compensation insurance rates are a very important issue for all of Vermont's employers, but in particular, small business owners. I am pleased that the combined efforts of state officials and industry partners have sparked this downward trend in our state," the Governor said. "These lower rates demonstrate that an emphasis on workplace safety and a healthy, predictable regulatory environment for insurers can help bring rates down for most employers," the Governor continued. "Relatively high workers' compensation costs, however, require that we remain vigilant and pursue additional reforms to lower these costs." In addition to the work of BISHCA, the Vermont Department of Labor has also been active in promoting a culture of safety in workplaces across the state, and credit goes also to all those employers and organizations that have worked so hard to reduce the frequency and severity of workplace injuries, the Governor said.

The number of lost-time claims in Vermont – those claims where a worker misses work due to a workplace injury – continues to drop, a trend that began in 2000. That decline in the frequency of work-related injuries offset an increase in the average cost per case, an increase driven in large part by increasing medical costs.

BISHCA Commissioner Paulette Thabault noted that certain high risk industries in the state have not seen comparable decreases. "Further improvements in safety and claims experience are still needed to alleviate rates in those sectors," Thabault said.

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