

# *Palm Beach County Roofing & Sheet Metal Contractors' Association*

2101 Vista Parkway; Suite 4001  
West Palm Beach, FL 33411  
Phone 561-655-5393 • Fax 561-688-8807

## **Wednesday, June 03, 2009**

**TALLAHASSEE, Fla.** – Florida Insurance Commissioner Kevin McCarty today announced that he has issued a final order approving a rollback from the April 1 rates to the lower workers' compensation insurance rates that became effective Jan. 1. The order is based on a recent filing by the National Council on Compensation Insurance (NCCI) that came as the result of Gov. Charlie Crist's signing into law of HB 903, the legislation that restores the cap on attorney fees and clarifies related statutory language that the Florida Supreme Court had determined to be ambiguous.

On Feb. 26, Commissioner McCarty had approved a 6.4 percent increase on the heels of the Oct. 23 Supreme Court opinion in the case of Emma Murray v. Mariner Health Inc.

"I am pleased that Gov. Crist and the Florida Legislature recognized the importance of keeping our workers' compensation rates down," said Commissioner McCarty. "I believe that injured workers still will have appropriate access to the legal system while also still keeping workers' compensation rates affordable for employers."

The Supreme Court's decision eliminated the statutory caps on attorney fees that were imposed as a result of the 2003 reforms under SB 50A and would have enabled claimant attorneys handling workers' compensation claims to collect increased fees for their services. Under the new law, however, attorneys will continue to be paid based on a fee schedule of 20/15/10/5 percent of benefits secured. Hourly fees will not be allowed.

Prior to the legislative reforms, Florida consistently ranked No. 1 or No. 2 in the country for the highest workers' compensation rates; however, post-reform Florida has dropped out of the top 10 rankings.

The approved rate decrease will save Florida employers about \$172 million in insurance costs. It effectively restores the 18.6 percent rate decrease that took effect Jan. 1 with a projected savings of \$610 million for Florida employers.

In October, Commissioner McCarty approved an 18.6 percent reduction in rates, effective Jan. 1. It was the sixth consecutive drop in worker's compensation rates since the Florida Legislature passed the reforms in 2003; and with the change, the cumulative overall statewide average rate decrease since 2003 is more than 60 percent. The NCCI originally had requested a 14.1 percent decrease in its filing of Aug. 27.

The 18.6 percent decrease in October stands as the largest one-year decrease on record, following the two previous largest decreases – 18.4 percent for 2008 and 15.7 percent for 2007. The last six filings represent the largest consecutive cumulative decrease on record in Florida workers' compensation rates – dating back to 1965.

The workers' compensation reform law 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.

The approved decrease applies to new and renewal business and will become effective July 1.

**About the Florida Office of Insurance Regulation**

The Florida Office of Insurance Regulation (Office) has primary responsibility for regulation, compliance and enforcement of statutes related to the business of insurance and the monitoring of industry markets. The Office protects Florida consumers through regulatory oversight of: insurance company solvency, policy forms and rates, market conduct performance and new company entrants to the Florida market. For more information about the Office, please visit [www.floir.com](http://www.floir.com).

CONTACT: Ed Domansky  
850-413-2515  
[Edward.Domansky@floir.com](mailto:Edward.Domansky@floir.com)