



The Business Council of New York State, Inc.

# COMP WATCH '06

## The comp system: Why reform now?

The case for workers' comp reform is being made across the state in 2006.

From a Crain's New York Business editorial: *The current system penalizes both employers and workers. New York businesses pay the second-highest workers' comp costs in the nation. Auto parts maker Delphi says that its two plants near Buffalo are saddled with the highest such costs in the entire company. Delphi is likely to close those plants because of workers' comp, despite the state's offer of millions of dollars in incentives and tax breaks. Meanwhile, benefits for injured workers haven't been raised since 1992 because of a political stalemate between labor and business.*

The editors of the Binghamton Press & Sun-Bulletin write: *Welcome to New York, where the business sector pays among the highest*

*workers' compensation premiums in the land.*

*And where workers' benefits haven't been raised in 14 years—and where the top benefit of \$400 a week is one of the lowest in the land.*

*How is this possible? How can one state have both the highest costs and the lowest benefits?*

From an editorial in Newsday: *Workers' compensation is a century-old, nationally mandated program that was designed to protect employees and employers alike. But in New York it is serving neither nearly as well as it should.*

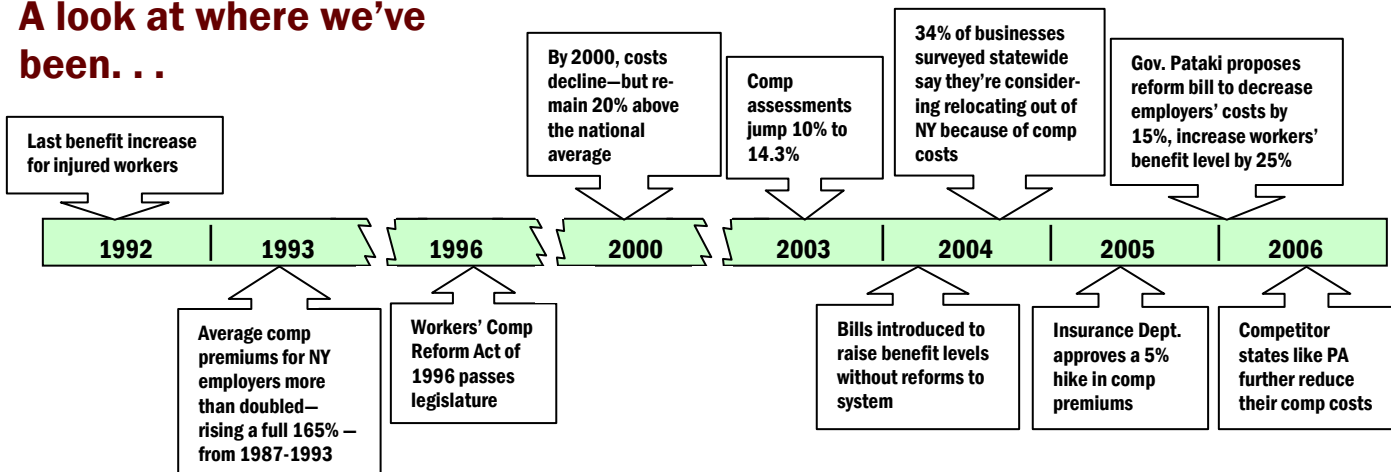
*As a result, seriously injured New York workers receive less money than their counterparts in other states, and businesses pay more—far more—to cover their costs. Along with energy, health care and property taxes, workers' comp is helping to make the state increasingly uncompetitive.*

An essay in Rochester's Democrat & Chronicle recently said: *New York state is a decade late on raising the maximum weekly cash benefit rate for on-the-job injuries and instituting a cap on the number of weeks a permanently partially disabled claimant can collect cash benefits.*

And from an article in the New York Law Journal in early March: *In a major push for the first comprehensive overhaul of workers' compensation in a decade, business representatives Wednesday characterized the current system as one that benefits no one, harms everyone and fails to deliver on its promise to provide reasonable, prompt recovery.*

Businesses large and small are echoing these sentiments. Will the Legislature listen—and make reform happen in 2006?

## A look at where we've been...



## Business and labor at the same table

The Business Council and the AFL-CIO recently came together to discuss the comp system. From the Albany Business Review account:

*"It ought not to be business versus labor," [Business Council President Dan] Walsh said at a forum in Albany, on the system and how to change it.*

*Denis Hughes, the president of the state AFL-CIO who also took part in the state Senate-sponsored forum, agreed that workers' compensation should be improved. He said the system has evolved to the point where "we're*

*both unhappy"—labor because the system is hard for injured workers to navigate and businesses because the system is among the most expensive in the United States.*

*"The media depicts business and labor more at odds on this issue than we really are," Hughes said.*

The Governor has proposed a plan that would cut costs largely by replacing lifetime benefits with generous but non-permanent benefits.

### AHEAD:

- The case for action **Apr. 3**
- Comp reform success stories **Apr. 17**