

# Florida Workers' Comp Rates on the Rise

As of April 1, 2009, Florida workers' compensation insurance rates will increase. The state's insurance commissioner has filed a final order approving a 6.4-percent rate hike.

The increase will add about \$172 million in insurance costs for Florida employers. Even so, in combination with an 18.6-percent rate decrease that took effect Jan. 1, the net savings to Florida employers is still \$438 million, says the office of Insurance Commissioner Kevin McCarty.

The decision follows McCarty's Jan. 26 order that denied a request by the National Council on Compensation Insurance, which proposes workers' compensation rates in Florida, to raise rates by 8.9 percent.

McCarty said the "modest increase" is the result of a Florida Supreme Court ruling that essentially eliminates the statutory caps on attorneys' fees that were imposed in 2003 as part of legislative reforms. As a result, attorneys handling workers' compensation cases will be able to increase the fees they collect on such cases.

Prior to the cap being imposed, Florida was among the states that had the highest workers' compensation rates.

"Although it is still somewhat early to know for sure what the full impact of the Supreme Court's decision on workers' compensation rates will be, I felt it was necessary to approve the modest increase," McCarty said. "I hope the legal and business communities will be able to come to an agreement on a plan for legislation that will maintain appropriate access to the legal system for injured workers while also keeping workers' compensation rates affordable for employers."

*Source: Orlando Business Journal*