



Michael R. Gibbons
Senate President Pro Tem

MISSOURI GENERAL ASSEMBLY

Rod Jetton
Speaker of the House

FOR IMMEDIATE RELEASE

March 16, 2005

General Assembly Advances Sweeping Workers' Compensation System Reforms to the Governor

JEFFERSON CITY – The Missouri General Assembly today cast its final vote on legislation that fundamentally overhauls the state's workers' compensation system sending the measure to the governor's desk to await his signature before becoming law. Senate Bill 1 and 130 originated in the Senate. Sen. John Loudon, R-Chesterfield, said he sponsored the measure to bring balance back to the system.

"This bill reverses 12 years of damage to the system by activist judges," Loudon said. "It protects employees who have been injured on the job, but it also strikes a balance to protect employers when work is not the cause of injury."

The bill redefines injuries qualifying for compensation to include only those injuries where work is the "prevailing factor." The measure also strengthens penalties for people who defraud the system.

"Employers and employees who cheat the system will get equal punishment," Rep. Steve Hunter, R-Joplin, who handled Senate Bill 1 and 130 in the House said. "By moving it from a misdemeanor crime to a felony we're showing cheaters there are serious consequences."

Under the new provisions, attorneys who enter negotiations after an initial offer is made by an insurance company would be limited to collecting their fees based on the difference between the original offer and the final settlement.

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“Employees will now be guaranteed at least the amount insurance companies offer them off the bat,” Loudon said. “Without automatically losing 25 percent to attorneys’ fees, people who are injured on the job will have a much better sense of whether or not it’s the right option for them to pursue legal action.”

Senate President Pro Tem Michael Gibbons, R-Kirkwood, commended lawmakers for their early action on the measure.

“We set out this year to tackle two issues early that will help keep businesses in Missouri,” Gibbons said. “This is a good, solid overhaul of the workers’ compensation system that we’ve been working towards for several years that protects both employees and employers.”

Loudon said long hours of negotiating and work behind the scenes helped shape the final measure that both chambers voted to send to the governor.

“We were able to incorporate language from Senate Bill 130 with Sen. Dan Clemens’s input and work,” Loudon said. “The work put into this bill from both sides of the aisle on both sides of the capitol is what made this process so swift.”

Loudon said other key players in the Senate included Sen. Jason Crowell, R-Cape Girardeau; Sen. Delbert Scott, R-Lowry City; Sen. Victor Callahan, D-Independence; and Sen. Tim Green, D-Kansas City.

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