



Gibbons Capitol Report
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More People Working at Good Jobs

This week I had the opportunity to speak to a state convention on the reforms we made to the workers' compensation system in our state. I was very pleased to be able to share the good news on how the reforms we passed in 2005 have already had a positive impact on Missouri's economy.

The Need for Reform

Last year, we overhauled the workers' compensation system to protect employees who have been injured on the job. But when work is not the cause of the injury, employers will now be protected from fraudulent claims and the higher insurance premiums they cause. These were the first major reforms to the system in more than a decade and were long overdue. Over the years, a number of overreaching court cases shifted the system out of balance. Republicans and Democrats forged these reforms through hours of negotiations and cooperation to protect both the employee and employer equally.

Bringing Balance to Workers' Compensation

The law redefines injuries qualifying for compensation as an injury where work is the "prevailing factor." It also equally punishes employers and employees who cheat the system. In addition, the law states that attorneys who enter negotiations after an initial offer is made by an insurance company are now limited to collecting their fees based on the difference between the original offer and a final settlement. These changes mean the system will work the way it was intended to, keeping more claims from litigation. Employees injured on the job must get fair and fast payment of compensation claims. Ultimately, less litigation has meant lower premiums for businesses. Workers' compensation rates are coming down. The state's largest workers' compensation provider lowered their rates by 5 percent this year.

What Does this Mean to the Average Missourian?

It means small businesses like Hellebusch Tool and Die, a manufacturing company in Washington, Missouri, have decided to add new jobs this year. They say the changes we made in the workers' compensation laws allowed them to expand. Next door in St. Louis County, Chrysler has made a generational investment in two plants in Fenton. In another instance, a company chose to close a plant in Canada to expand their business here in Missouri.

For small businesses like Hellebusch Tool and Die to giant multi-national corporations like Chrysler, it is clear Missouri's economy is on the move. And with that, more people are working at good jobs. The essential hope in the American Dream is that tomorrow will be better and that our dreams can be achieved. By improving our economy, we are protecting the American Dream. And today, it is alive and well in Missouri.