



State Senator Scott T. Rupp ~ District 2

The Rupp Report

*Serving Lincoln County & St. Charles County***Column For Week of: January 18, 2010**[Website](#) | [Biography](#) | [Newsroom](#)

Now Reaping The Benefits of Workers Compensation Reform

It seems to me that there are two main thought processes regarding the economic turmoil we find ourselves in. One school of thought is taken by the federal government, which boils down to spending our way out of trouble. The other, and the one I advocate, is to take a hard look at where things are going wrong, and take a common sense approach to setting it back on the right track.

In a way, you could look at our state's work regarding workers' compensation reform in 2005 as a microcosm of today's economic crisis. Several years ago, the Missouri Senate reformed the laws around workers' compensation, which was riddled with fraud. Missouri lawmakers set out to give employers a fair shake while protecting the rights of injured workers.

The new law ensured that employers were only liable for injuries that they were directly responsible for, and provided employee drug testing to make sure that injured workers weren't under the influence of alcohol or illegal drugs at the time of the accident. Perhaps most importantly, the new law gave real teeth to the penalties set in place for those found guilty of abusing the compensation laws, while establishing performance audits on judges to make sure they were neutral in their decisions.

In 2010 we are now seeing the fruits of this labor: the Missouri Department of Insurance has announced an 8.1 percent overall decrease in workers' compensation insurance rates, saying that at least 3.4 percent of that decrease is attributable to the 2005 senate legislation. This is the fourth year in a row that the Department of Insurance, which establishes the rates, has recommended a decrease. The National Council on Compensation Insurance ranks Missouri number one out of eleven Midwestern states with the largest reduction in workers' compensation insurance rates.

What does the rate decrease mean for Missouri taxpayers? The Department of Insurance estimates that Missouri businesses could save an estimated \$80 million in 2010. This makes it more affordable for employers to expand and hire workers, rather than paying higher insurance premiums because of those that abused the system. It also makes our state more attractive to large and small employers, as they can now afford a more competitive compensation market. Plus, fewer claims come as a result of increased safety, saving untold millions.

If you think the financial situation is bad now, could you imagine where it could be without this critical reform? Here in Missouri, we can take a common sense approach to the issues that plague our citizens. After all, we've done it before.

If you have any questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at (866) 271-2844.

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