

Beacon Hill Byline by Mary Rogeness

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More good news for Massachusetts

When was the last time your insurance company asked the regulators to cut your insurance rates? If you are like me, you cannot recall such an occurrence. Like other budget items, insurance costs tend to go up. But such an event happened in Boston last week. Workers Compensation insurers proposed a 12.4-percent rate reduction for 1994. What a great way to end the year!

The reduction comes two years after the Legislature enacted a reform law in response to an annual rate increase approaching 40 percent. That increase came on top of an existing rate structure that was one of the highest in the nation. Both 1992 and 1993 saw modest increases as the system adapted to the new law. Here are some of the factors at work over two years of experience with the new law that led to this week's reductions.

The 1991 Workers Comp law added judges to grant timely hearings for injured workers. It also enacted measures to combat fraud. Other changes helped settle claims quickly, getting benefits to injured workers instead of having expenses eaten up by the system. Employers have worked to manage their own costs, both by stressing safety and by providing support and alternate work assignments to ease the re-entry of injured employees to the workplace.

Why should this matter to those of us who are not employers? Most of us will pay an insurance bill for workers compensation. Workers compensation is a problem all over the country, according to such sources as "60 Minutes," so why should Massachusetts change? It matters because our costs were higher than most states. In a time of corporate downsizing throughout the nation, the rate reduction provides a reason to retain jobs in Massachusetts. The reduction shows employers of the state that we are correcting their problems: we care about their cost of doing business. Businesses might retain their commitment to the work force of the state because of the rate reduction. An official from one high-tech company said, "It would remove one ... hesitation we might have about expanding our business in Massachusetts."

In other words, when you help the employers, you help the workers. And when you help both the employees and the bosses, you help the state as well. The anticipated reduction in workers comp costs helps all of us, and I hope it benefits you personally.

Best wishes to all of you for a Merry Christmas and a happy, prosperous New Year.