

Florida workers' comp increase rolled back

A reduction in the workers' compensation rate is expected to save Florida employers \$172 million on their premiums after it goes into effect July 1.

BY BILL KACZOR
Associated Press

TALLAHASSEE -- Florida's insurance commissioner on Wednesday said he is rolling back a 6.4 percent workers' compensation rate increase that went into effect April 1.

Commissioner Kevin McCarty said he is taking back the increase because of a new law that reverses a Florida Supreme Court ruling and reinstates caps on fees for lawyers who represent workers in compensation appeals for on-the-job injuries.

The reduction is expected to save Florida employers \$172 million on their workers' compensation premiums after it goes into effect July 1 for new business and renewals. McCarty acted just five days after Gov. Charlie Crist signed the new legislation into law. McCarty had approved the rate increase because of the high court's ruling.

The justices struck down the fee limits in a 2003 law, saying they were unreasonable. The new law repeals another provision in the 2003 statute that also required the fees to be "reasonable."

"I believe that injured workers still will have appropriate access to the legal system while also keeping workers' compensation rates affordable for employers," McCarty said in announcing the rollback.

Trial lawyers, who opposed the new law, disagree. They say the fee caps will make it difficult for injured workers to find legal representation.

Paul Anderson, a board member for the trial lawyer group Florida Justice Association, has predicted more workers will be denied claims and will turn to taxpayer-supported public assistance programs to cover their medical expenses. He said the new law eventually will result in another legal challenge.

McCarty credited the 2003 law for reductions in workers' compensation rates totaling more than 60 percent since it was enacted. Before then, Florida's rates were the highest or second-highest in the nation. Since then, they've since dropped out of the top 10 rankings.

Canceling the 6.4 percent increase effectively restores an 18.6 percent reduction that went into effect Jan. 1, which is expected to save employers \$610 million.

It was the sixth consecutive rate reduction since the 2003 law went on the books.

The Supreme Court made its ruling in the case of an injured nurse who won \$3,244 in back wages and medical expenses with the help of a lawyer whose fee was limited to about \$8 an hour while insurance company attorneys on the other side got \$150 an hour. The justices found that discrepancy unreasonable.