



OFFICE OF THE GOVERNOR  
PAT QUINN

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**Contact**

Press Line: (312) 814-3158

Brooke Anderson [Brooke.Anderson@illinois.gov](mailto:Brooke.Anderson@illinois.gov)

Dave Blanchette [Dave.Blanchette@illinois.gov](mailto:Dave.Blanchette@illinois.gov)

## **Governor Quinn: Historic Workers' Compensation Reform Saved Illinois Employers \$315 Million**

*Recommended Rate Has Dropped 13.3 Percent Since Governor's 2011 Reforms;  
Latest Proposed Decrease of 4.5 Percent Will Help Ensure Fair and Honest Wages*

CHICAGO – Governor Pat Quinn today announced that the National Council on Compensation Insurance (NCCI) has filed a request for an overall reduction of 4.5 percent in workers' compensation rates from the Illinois Department of Insurance (DOI).

Since the 2011 Workers' Compensation Reform law championed by Governor Quinn, the department estimates that overall savings have reached \$315 million for the Illinois Workers' Compensation system. With the implementation of the proposed rate reduction, the advisory rate level will have dropped 13.3 percent below the advisory rate level prior to the changes sought and enacted by the governor.

Today's announcement is part of Governor Quinn's commitment to strengthen Illinois' business climate and drive more economic growth while ensuring that all workers are protected, treated fairly and receive the compensation they deserve.

"When I came into office, Illinois had one of the most burdensome workers' compensation systems in the country," Governor Quinn said. "We turned that statistic around and delivered real reform that is saving hundreds of millions of dollars for our businesses and keeping the system honest to our workers. This rate review will ensure the state has a responsible advisory rate that supports business growth and protects workers."

Officials estimate the latest proposed reduction in workers' compensation advisory and loss cost rates could result in overall reduction in premiums of up to \$110 million. This estimate is based on the credit rating organization A.M. Best's calculations as they reviewed 2011 premiums. Individual rates for businesses may vary based on claims experience, payroll, and other factors.

With the implementation of the proposed rate reduction, the advisory rate level will have dropped 13.3 percent below the advisory rate level prior to the 2011 Workers' Compensation Reform Legislation. The overall premium impact based on the advisory rates is approximately \$315 million. Individual companies may reflect different rate changes.

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The NCCI advisory rates determine the premiums businesses pay for workers' compensation insurance. Department of Insurance (DOI) actuaries must confirm the calculations submitted by NCCI, a process that typically takes about 60 days.

"We're pleased about the proposed rate reduction and look forward to the review process to confirm the results," said DOI Director Andrew Boron. "The lower rate would benefit Illinois employers with cost savings."

If the department accepts the filing to be effective January 1, 2014, employers should contact their insurance agent prior to their 2014 renewal date to determine the impact on their premium.

Since taking office in 2009, Governor Quinn made workers' compensation reform and strengthening Illinois' business climate a top priority. He launched a working group on the issue, proposed legislation and worked with the General Assembly to enact historic reform that is allowing businesses to save hundreds of millions of dollars, which in turn supports economic growth.

Earlier this month, Governor Quinn signed three laws that fight questionable practices to protect Illinois workers' paychecks. House Bill 2649, House Bill 923 and House Bill 3125 deal with the misclassification of workers and the attempts of employers to avoid paying state employment taxes and premiums.

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