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Wolf Administration Announces Workers' Comp Insurance Rate Cut, Further Lowering Cost of Doing Business in Pennsylvania

Boyertown, PA –Wolf Administration cabinet secretaries for the Insurance Department and Labor & Industry today announced Pennsylvania businesses will see another cut in workers' compensation insurance rates while maintaining benefit levels for injured workers.

Insurance Commissioner Teresa Miller and Labor & Industry Secretary Kathy Manderino made the announcement at an event at Global Advanced Metals in Boyertown.

Workers' comp insurance rates will drop 6.21 percent, effective April 1, reducing a key expense for many companies and saving Pennsylvania businesses an estimated \$150 million this year.

“This significant rate cut comes on top of reductions during my administration's first two years, which improved our state's standing across the nation for this cost of doing business,” said Governor Wolf. “Today's reduction will further help business owners create jobs that pay in Pennsylvania and at the same time, maintain fair benefits for workers injured on the job, something that is vital for families' financial well-being and peace of mind.”

Today's rate cut announcement comes following [a national study](#) released last November, showing Pennsylvania improved its standing among states in workers' comp insurance costs under the Wolf Administration, dropping from 17th highest to 26th highest from 2014 to 2016. The Oregon Department of Consumer and Business Services conducted the study comparing workers' comp insurance rates for 50 selected employment classes based on methods that put

states' workers' comp rates on a comparable basis with a constant set of state-specific risk classifications.

Commissioner Miller said her department under Governor Wolf's leadership is working to maintain a vibrant and competitive workers' compensation insurance market, helping keep costs down.

"More than 325 companies offer workers' compensation insurance coverage in Pennsylvania," Commissioner Miller said. "This means employers are able to find attractive, cost-efficient options for this vital insurance."

The rate reduction follows the Insurance Department's approval of the Pennsylvania Compensation Rating Bureau's annual loss cost filing. These loss costs are used to determine the premiums businesses pay for workers' compensation insurance. The premium savings for an individual employer will vary based on the employer's risk classification, claims experience and other factors. Not all employers will see a decrease.

This is the sixth consecutive workers' compensation insurance cut in as many years, and brings the cumulative savings to \$720 million for the past six years. Workers' compensation insurance covers the cost of medical care and rehabilitation for injured workers, and lost wages and death benefits for the dependents of those killed in work-related accidents.

The other important component of today's announcement is that benefit levels have been maintained for injured workers. Labor & Industry Secretary Manderino said certified workplace safety committees, overseen by her department, are key for both cost and safety.

"Certified workplace safety committees help employers and workers keep safety top-of-mind at all times," Secretary Manderino said. "And those companies with a committee receive a five percent discount on their workers' comp insurance premiums."

More than 11,220 state-certified workplace safety committees have been established since March 1994, protecting more than 1,463,000 workers. Additionally, employers with certified workplace safety committees have saved close to \$604.2 million in workers' compensation premiums. These savings in insurance costs are due solely to the five percent premium discount provided to businesses that have these committees.

Global Advanced Metals has a long-standing certified workplace safety committee and won a Governor's Award for Safety Excellence in 2016. Global is a leading manufacturer of high performance tantalum metallurgical and powder products to the electronics, aerospace, automotive, and chemical manufacturing industries.

"Global Advanced Metals, Inc. is proud of our safety record, which is a reflection of the hard work and dedication of our workforce to our safety process. This dedication to safety has been instrumental in our successful certification as an OSHA VPP Star site since 2008, as well as receiving the Governor's Award for Safety Excellence," said Mark Lackey, Boyertown Facility General Manager. "We could not have achieved this level without the safety focus and effort from all of our employees and contractors. It is great to see that our efforts and the efforts of many companies in Pennsylvania have contributed to real cost reductions for current and future businesses in PA."

Secretary Manderino added her department's Bureau of Workers' Compensation Health & Safety Division provides employers with the most up-to-date and relevant safety information and benefits possible for employees. Employers should contact their insurance company or agent for more information about how their workers' compensation premiums will be affected.

More information on Pennsylvania insurance products is available at www.insurance.pa.gov.

For more information on making Pennsylvania's workplaces safer, visit www.dli.pa.gov, "Workers' Compensation Services."

MEDIA CONTACT: J.J. Abbott, Governor's Office, 717-783-1116
Ron Ruman, Insurance Department, 717-787-3289
Theresa Elliott, Department of Labor & Industry, 717-787-7530

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