



**Office of the Governor
Pat Quinn**

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**Governor Quinn Announces Nearly 20 Percent Reduction
in Workers' Compensation Costs**

*Governor's Historic Reforms Continue to Drive Illinois' Comeback
and Increase Savings for Businesses Across Illinois*

CHICAGO – Governor Pat Quinn today announced that workers' compensation costs in Illinois have dropped 19.3 percentage points since the passage of workers' compensation reform in 2011. This drop, reported by the National Council on Compensation Insurance (NCCI), reflects a major reduction in the cost of claims paid by insurers and provides key savings for businesses across Illinois. News of the significant reduction comes on the heels of last month's announcement that Illinois' unemployment rate has dropped to an almost six-year low. Today's announcement is part of Governor Quinn's agenda to strengthen Illinois' business climate, drive economic growth and ensure that all workers are treated fairly and receive the compensation they deserve.

"The major workers' compensation reforms we enacted in 2011 are protecting workers while continuing to reduce the cost of doing business in Illinois," Governor Quinn said. "Illinois' economy is making a comeback and major reforms like those to workers' compensation are driving it. We are getting the job done for our hardworking men and women and businesses across Illinois."

The NCCI credits these reductions in workers compensation costs to the 2011 reform signed by Governor Quinn. The Council is an independent bureau that analyzes workers compensation data nationwide and provides information and research to the insurance industry.

"The NCCI's reported decrease is proof that workers compensation costs are significantly lower than they were in 2011," Chairman of the Illinois Workers Compensation Commission Michael Latz said. "This demonstrates that insurance companies have had to pay less money on claims since 2011 and have enjoyed more profit."

Illinois' combined ratio for workers compensation costs is 93.7 percent. When applied to an insurance company's overall results, the combined ratio is a measure of the insurance company's profit against losses – a combined ratio below 100 percent shows an underwriting profit. Since 2010, the combined ratio for insurance companies writing workers compensation insurance in Illinois has decreased from 121.4 to 93.7. This indicates that insurance companies are experiencing a decrease in paid losses and retaining more profit.

Today's news follows an announcement from NCCI in July that it had recommended a 5.5 percent drop in the workers compensation advisory rate for 2015. This decrease will bring the total rate reduction since historic reforms championed by the Governor were enacted in 2011 to more than 19 percent, saving Illinois' employers more than \$450 million. The NCCI advisory rates determine the premiums businesses pay for workers' compensation insurance.

Last month Illinois' unemployment fell to a six-year low. During July, 11,200 new private sector jobs were added, including 3,900 manufacturing jobs. The state's unemployment rate has fallen steadily since July 2013, when it stood at 9.2 percent, and has completed its steepest 12-month decline of 2.4 percentage points since August 1984. Since February 2010, Illinois has added 263,100 private sector jobs.

Governor Quinn made it a priority to reform workers' compensation and to work with business owners and legislators to make it easier to do business in Illinois. 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, driving economic growth throughout the state.

Since taking office and inheriting decades of mismanagement, Governor Quinn has enacted major reforms that are saving taxpayers billions of dollars. The Governor has saved taxpayers more than \$3 billion by overhauling Illinois' Medicaid system, cutting Medicaid spending and rooting out waste, fraud and abuse. He also passed comprehensive pension reform that will save taxpayers more than \$140 billion over the next 30 years. Over the last five years, Governor Quinn has cut state spending by more than \$5.7 billion.

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