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SENATE PASSES MORATORIUM ON REDUCTIONS TO GROUP-RATING DISCOUNTS

By a 20-11 vote, the Senate this week passed legislation that would impose a two-year moratorium on reductions in premium discounts for the popular workers' compensation group-rating program. The bill, [SB 213](#), would require the Bureau of Workers' Compensation (BWC) administrator to suspend the use of the "breakeven factor", a surcharge that reduces the premium discounts group-rated employers receive. The "breakeven factor" would be suspended for two years. During that time the administrator would be prohibited from reducing the maximum premium discount for group-rated employers below 65%.

In the first year of the two-year moratorium, the bill would require the administrator to study the premium rating system in a collaborative manner with workers' compensation stakeholders. It would also bar the BWC Board of Directors from returning rebates to employers in a gubernatorial election year without enactment of legislation by the General Assembly.

On the Senate floor the bill's sponsor, Sen. Keith Faber, told lawmakers it is the wrong time to force companies impacted by reduced premium discounts to choose between paying higher workers' compensation premiums and laying people off. He also said the two-year delay would give a new study committee more time to review the premium rating system. The bill now awaits committee assignment in the House.

To view a copy of the bill, [click here](#).

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