



California Applicants' Attorneys Association

 **VotersInjuredatWork.org**

**FOR IMMEDIATE RELEASE:**  
**Wednesday, October 29, 2008**

*Contact: Steve Hopcraft 916/457-5546;*  
[steve@hopcraft.com](mailto:steve@hopcraft.com);

## **NATIONAL STUDY SHOWS INSURERS SHIFTING WORKERS COMPENSATION COSTS ONTO TAXPAYERS**

*Cuts to injured workers' compensation increases  
Social Security, Disability and Welfare Costs*

SACRAMENTO – A recent national study has found that California workers compensation insurance carriers have shifted millions of dollars in claim costs onto taxpayers. The study by the National Academy of Social Insurance (NASI) found that in 2006 (the last year for which complete data was available) California employers' workers compensation costs dropped by 16.6%. This drop was caused by a sharp reduction in cash benefits paid to workers for temporary disability and permanent disability insurance payments. "The deep cuts to injured workers' compensation have driven those workers to public programs. California and U.S. taxpayers are picking up the tab for insurance companies' denial of care and compensation to Californians injured on the job," said Todd McFarren, president of the California Applicants' Attorneys Association (CAAA), whose members represent those injured on the job. "The cuts were unwarranted and unfair, and cause great suffering amongst those injured on the job. Insurance companies have banked record profits, while sticking taxpayers with the bill."

The study also found increasing use of Social Security benefits for work related injuries and an upward trend in Social Security benefits. The study offers an explanation by John F. Burton, Jr., chair of the panel that oversees the annual study for the National Academy of Social Insurance, "The difference in the trends in workers' compensation and Social Security disability insurance payments suggest that retrenchment in one program may cause injured workers to turn to the other program for benefits to replace their lost wages."

"Temporary disability and permanent disability benefits have been unfairly and unnecessarily slashed in California," said Jesse Cenicerros, president of VotersInjuredatWork.org. "We call upon the governor and the Legislature to examine these disturbing findings and implement policies to stop the shifting onto taxpayers of insurance company costs for injured workers' claims. We also urge them to reexamine the level of compensation being provided to injured workers." The report uses payment data from all open claims, including claims for injuries

*News release, NATIONAL STUDY SHOWS INSURERS SHIFTING WORKERS COMPENSATION COSTS ONTO TAXPAYERS, page 2, 10.29.2008*

that occurred before enactment of SB 899. The report is here:

[http://www.nasi.org/publications2763/publications\\_show.htm?doc\\_id=702467](http://www.nasi.org/publications2763/publications_show.htm?doc_id=702467)

***Find more information at <http://www.DenialofCare.org/>***

**(end)**