

[Insurance Commissioner Poizner Denies WCIRB's Request for An Increase in the Workers' Compensation Claims Cost Benchmark](#)

Posted on July 8, 2009 by [James Castle](#)

[Insurance Commissioner Steve Poizner today rejected a rate application](#) from the [Workers' Compensation Insurance Rating Bureau \(WCIRB\)](#) to raise the [Workers' Compensation Claims Cost Benchmark](#) by 23.7 percent. This was contrary to what was hoped for by workers' compensation insurers.

Based on testimony received in June hearings, the Commissioner noted that he believes that an increase in the cost benchmark would lead to increased worker's compensation premiums for small business. More specifically, the Commissioner sternly noted,

[m]y response to this requested record increase by workers' comp insurance companies is this – no. I will not include avoidable costs in the Benchmark.

The Commissioner further explained,

[b]ecause of the faltering economy, record unemployment levels, and objections to the proposed increase from employers, I have focused on whether insurers and other parties in the workers' comp system are exhausting every available avenue to control costs before granting any increase to the Benchmark.

With regard to the controlling of costs, following hearings last month, the Commissioner issued a 27 point outline of means in which costs can be trimmed by workers compensation insurers. That outline can be found [here](#). The Commissioner further noted that he expects insurers to implement the efficiency procedures he outlined before a re-application for a cost benchmark increase.

Today's denial of the cost benchmark is consistent with the Commissioner's recent treatment of such requests over the past several years – as he has routinely either denied the requests outright or allowed for a minimal increase, despite much larger requests.

2009 WC Benchmark Proposed [Decision and Proposed Order](#)

2009 WC Benchmark [Addendum Report](#)

2009 WC Benchmark [Decision and Order](#)