



State of Vermont
OFFICE OF THE GOVERNOR

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WORKERS' COMPENSATION INSURANCE SEES THIRD STRAIGHT RATE DECREASE

Montpelier, Vt. – Governor Phil Scott today announced that workers' compensation insurance will continue to cost less for most Vermont employers when new rates approved by the Department of Financial Regulation (DFR) become effective on April 1, 2019. This is the [third straight rate decrease](#) since Governor Scott took office and represents \$10.5 million in pricing relief for Vermont employers. When coupled with the two prior decreases, Vermont employers are paying about \$40 million a year less in workers' compensation premiums.

Governor Scott said this year's decrease and the continued cost reduction trend is good news for Vermont workers, their employers and the job market in general.

"I am pleased to announce this substantial decrease in workers' compensation rates, which will directly lower the cost of doing business in Vermont," said Scott. "These considerable savings make Vermont a more affordable place to do business, which can allow businesses to hire more workers, increase salaries and expand operations in Vermont."

In the voluntary market – the open competitive market – loss costs will decrease by an average of 5.1 percent. Loss costs are the primary component of workers' compensation rates. Approximately 90 percent of Vermont employers receive voluntary market coverage. In the assigned risk market – the market for employers unable to obtain coverage in the voluntary market – rates will also decrease by an average of 9.2 percent. The continued rate relief in the assigned risk market is particularly good news for startup businesses who must enter this market due to their lack of experience in the field.

"This continued rate reduction is a clear indication that Vermont's workers' compensation market is moving in the right direction," said DFR Commissioner Michael Pieciak. "This improvement is driven by the commitment of Vermont business owners to improve the safety of their work places and a renewed focus on rate filings by the department."

Rate changes vary by industry and classification. Of particular note are significant reductions to non-mechanized (decrease of over 18 percent) and mechanized (decrease over 5 percent) logging operations, which have historically experienced high rates. Further, ski areas will enjoy a reduction of 12.3 percent, craft brewing a reduction of 9.3 percent and many manufacturing industries will see significant decreases.

Further relief is in store for those in the logging industry. Under a new program established by Governor Scott's Workers' Compensation Task Force, non-mechanized and mechanized logging operations who complete an onsite job safety program will enjoy a 15 percent premium credit for their improved safety job sites.

The Governor applauded the good work of staff at the Departments of Labor, Financial Regulation and Forests, Parks and Recreation, as well as the leadership of DFR Director Kevin Gaffney and DFPR Deputy Commissioner Sam Lincoln for their contributions in continuing this positive trend.

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