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September 10, 2012

The Honorable Edmund G. Brown
Governor, State of California
State Capitol
Sacramento, CA 95814

RE: SB 863 (De Leon) – Comprehensive Workers' Compensation Reform
REQUEST FOR SIGNATURE

Dear Governor Brown,

The California Coalition on Workers' Compensation (CCWC) is an association of California's public and private sector employers that advocates for a balanced workers' compensation system that provides injured workers with fair benefits, while keeping costs low for employers. Our members include not only businesses of every size, but also cities, counties and other public entities.

CCWC is supportive of SB 863 (De Leon) and we respectfully request that you sign this important legislation into law. SB 863 contains a carefully negotiated package of workers' compensation reforms that provides much-needed maintenance on California's complex system of compensating workers for injuries suffered in the course and scope of their employment. SB 863 finances the restoration of permanent disability benefits to injured workers with savings achieved through a reduction in frictional and litigation costs. If implemented expeditiously with a focus on achieving the projected savings, SB 863 will reduce costs for employers as California struggles to recover from lingering recession.

It is clear that injured workers deserve an augmentation in the permanent disability benefits that are intended to compensate them for injuries in the workplace. Research indicates that benefit reductions from years past missed the mark, and we have an obligation to correct the situation. In fact, CCWC openly supported past regulatory efforts to augment benefits during the Schwarzenegger Administration.

What is also clear is that cost pressures are building in the workers' compensation system – in fact, premiums for businesses of all sizes are beginning to increase dramatically. The WCIRB recently recommended a 12.6% increase in workers' compensation premiums in California. SB 863 will help limit looming premium increases on California businesses and preserve scarce budget dollars for state and local entities.

California is already ranked 5th most expensive in the country for the cost of workers' compensation insurance, and we are expected to climb the ranks when the next report is released in October, 2012. Reforming our workers' compensation system will make California more competitive and help us attract and retain much needed jobs.

For these reasons and more, The California Coalition on Workers' compensation respectfully requests that you sign SB 863 (De Leon).

Sincerely,

Jason Schmelzer
Legislative Advocate