



NEWS From Insurance Commissioner Matthew Denn

For Immediate Release: Wednesday, November 26, 2008

Denn Orders Additional Cuts in Delaware Workers' Compensation Premiums

Rate Reductions Totaling 45% Will Be In Effect By End of 2009

Dover – Insurance Commissioner Matthew Denn announced Wednesday he has ordered new cuts to the workers' compensation insurance rates paid by Delaware businesses, the second such cuts in 2008.

In combination with a rate reduction Denn ordered earlier this year and one that has already been agreed to by the state's workers' compensation carriers scheduled for December, average workers' compensation rates will have been cut by more than 45 percent since November 2007.

The latest order by Commissioner Denn requires that the state's workers' compensation insurance companies discount average premiums by 6 percent each year in 2008, 2009, and 2010, and by 5 percent in 2011.

The cut was ordered to ensure that policyholders -- rather than insurance companies -- benefit from the impact of Delaware's new medical fee schedules for treatment of workers' compensation injuries, which were part of a reform passed by the legislature in 2007. Analysis by Commissioner Denn's office found that proposed rates had not properly accounted for workers whose treatments followed the implementation of the fee schedule on May 23, 2008.

"This rate cut will save millions of dollars for Delaware employers at a time when they could certainly use it," Commissioner Denn said. "The dramatic lowering of workers' comp rates that has resulted both from reform legislation and from increased scrutiny by the Department of Insurance is one of the real achievements of my time as Insurance Commissioner."

Commissioner Denn said Delaware employers should begin to see the impact of the latest rate cut order in 2009 as their workers' comp policies come up for renewal. Most policyholders have already seen reductions in their workers' compensation rates due to the rate reductions that Denn ordered in 2007.

Commissioner Denn had previously ordered a rate reduction of 11.5 percent in August 2008. A hearing scheduled for December will result in a reduction of at least another 10 percent.