

Only a start

[The Orange County Register](#)

July 5, 2007 - 9:46AM

California finally may be curbing the immense increases in recent years in workers' compensation costs. "California business owners saw the average annual premium for workers' compensation insurance drop between 13.9 percent and 16.6 percent in the last six months, according to records from the state Department of Insurance," the Sacramento Bee reported Jan. 18.

"The important thing is that it's a turning point," said Steven Frates, senior fellow at the Rose Institute of State and Local Government at Claremont McKenna College. "The magnitude and scope has yet to be determined."

But it's just a beginning. "Small-business owners, in particular, say they remain under tremendous financial strain because their workers' compensation premiums doubled or tripled in recent years," noted the Bee. So even a reduction of up to 16.6 percent is only a start in reducing costs to sensible levels.

Mr. Frates cited several keys to maintaining the momentum of reform. Gov. Schwarzenegger needs to appoint reform-minded officials to the state boards and commissions that interpret workers' comp laws. Also, Mr. Frates said, we'll have to watch to see if the people who "scam the system" figure out new ways to do so, or are "resigned" to the reforms and don't scam as much.

And most important is what Mr. Frates called "the shootout over redistricting," which, if done properly, could bring more moderate Democrats who back workers' comp reform to the Legislature.

So although the initial months of reform look promising, more must be done.