Workers' comp insurance prices dropping in Washington for the third year in a row

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TUMWATER — For the third year in a row, the price of workers’ compensation insurance is dropping in Washington.

Today, the Department of Labor & Industries (L&I) announced a 0.8% decrease in the average amount employers will pay for the coverage in 2020. L&I cut rates by 5% in 2019 and 2.5% in 2018.

“Our workers’ compensation system is in good shape. Every year we help tens of thousands of people recover from on-the-job injuries and go back to work,” said L&I Director Joel Sacks. “Our programs to help injured workers are making a real difference, and workplace injury rates in Washington are declining. That’s great for workers and their families and is helping us keep costs down.”

Under the lower 2020 rate, employers will pay an average of about $15 less per employee for a year of workers’ compensation coverage. As a result of the reduction, as a group, employers will pay $21 million less in premiums next year.

Workers will see a very small increase in what they pay for workers’ comp insurance because the average wage for workers in Washington has gone up. The new rates take effect the first of the year.

L&I made the final decision on rates after taking public input, including hosting three public hearings around the state.

Improving workers’ comp and helping workers heal and return to work

L&I workers’ compensation insurance covers about 3 million workers and nearly 180,000 employers in Washington. The department accepts more than 95,000 injured worker claims each year.

In the past six years, the projected long-term costs for the workers’ compensation system have fallen more than $2.9 billion thanks to a variety of department efforts. L&I programs to help injured workers heal and return to work, educate employers on how to keep their rates low, and provide vocational support earlier in injury claims are all helping workers while reducing costs.

Determining workers’ compensation premium rates

L&I determines the proposed rate for the following year by looking closely at expected workers’ compensation payouts, the size of the contingency reserve, wage inflation and other financial indicators.
Rate decreases in the last two years, along with some small increases in premiums since 2014, have kept rates steady and predictable, making it easier for employers to budget for workers' compensation costs while keeping the system healthy and stable.

The 0.8% rate decrease is an average. An individual employer’s actual rate change may be more or less depending on that employer’s industry and claims history.


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For media information: Tim Church, L&I Public Affairs, 360-902-5673.

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