



California Applicants Attorneys Association

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Contact: Steve Hopcraft 916/457-5546; Steve@hopcraft.com

**Injured Workers, Advocates:
Governor Again Puts Insurance Companies
Ahead Of Disabled Workers
Latest delay will total 5 years of horror
for permanently disabled**

Sacramento, CA - Injured workers and their advocates today said the Schwarzenegger Administration's latest announced delay in restoring compensation to permanently disabled workers has again put insurance companies ahead of disabled workers. The administrative director of the Division of Workers Compensation announced recently that a new permanent disability ratings schedule, with a modest increase in compensation, would be delayed until July 2009.

Schwarzenegger reduced disability compensation by 50% to 70% in 2004, and compensation has been found inadequate by the Administration's own studies. The administration announced last week that it would again delay restoring compensation taken from disabled workers, because insurance companies will be increasing premiums in January 2009. "The administration has always put insurance companies ahead of disabled workers," said Jesse Cenicerros, president of VotersInjuredatWork.org, a nonprofit advocacy group of injured workers. "While insurance carriers racked up record profits, injured workers have set new records for bankruptcy, home foreclosure and suicide. Now, the governor wants injured workers to wait another year while insurance companies increase premiums."

Not only is the administration making injured workers wait a full five years before restoring compensation that all parties acknowledge is too low, but the administration intends to restore only a small percentage of the reduced

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compensation. The advocates said that even with the governor's proposed increase, California would remain well below neighboring states, and comparable US states, in compensating permanently disabled workers. "This proposal does not fix the harm done to injured workers. California workers permanently disabled on the job would still receive compensation that is among the lowest in the nation. The proposal does not come close to making up the reductions that the administration's own studies found," said Todd McFarren, president of the California Applicants' Attorneys Association (CAAA), whose members represent thousands of workers injured on the job each year. "Injured workers have suffered 50 to 70 percent cuts that were never intended by the legislature. Even the administration's own studies showed a decrease in the average rating of up to 41%. To make injured workers wait until July 2009 to restore disability compensation is unnecessary and cruel."

Multiple independent studies, including studies conducted last year by the Division of Workers Compensation's Administrative Director, have documented 50% to 70% cuts in compensation to injured workers for permanent disabilities.

The governor has vetoed three bills by Senator Don Perata that would have doubled permanent disability compensation, promising instead a correction via the regulatory process. Now the Administration intends to delay restoring disability compensation for another eight months.

"It's insulting to cut disability compensation by 50% to 70% and then give only some injured workers back a dime or so on the dollar, and make them wait five years for it," said Jesse Ceniceros, president of VotersInjuredatWork.org, an advocacy group of and for injured workers. "Permanently disabled workers rely on this compensation for their survival and that of their families. This inadequate increase does not address the unfairness of the governor's permanent disability benefits schedule."

For more information, visit denialofcare.org.

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