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Chamber leaders demand workers comp reforms

The Rome Chamber of Commerce joined other area chambers today in demanding workers' compensation reform, complaining that the state's compensation costs for employers are the second highest in the nation.

At a press conference this morning, Mohawk Valley Chamber President Matthew Stublely said the cost is having a negative impact on business locally. Joining officials at the press conference, in Utica, were spokesmen for Harden Furniture, ConMed and Owl Wire.

"New York State's broken workers' compensation system is costing jobs, hurting businesses, treating injured workers unfairly, and is in desperate need of reform," according to the New York Workers' Compensation Action Network, the Business Council of New York State and the Chamber Alliance of the Mohawk Valley.

The cost of compensation, said NYCAN Chair Larry Gilroy, "is one of the leading causes that businesses point to when they are forced to eliminate jobs or create new jobs in other states. The governor has proposed meaningful and realistic reforms and now the Legislature must do its part and make those reforms a reality."

For Harden Furniture of McConnellsville, a fifth-generation, family-owned business, "compensation costs were nearly \$1 million in 2004," said Chief Executive Officer Greg Harden. "That represents 2.5 percent of our company's revenues and almost \$2,000 per employee. At a time when we are struggling to adjust to the pressures of a global economy, we need relief from costs that do not add value to our products."

Medical supply company ConMed Corp., based in Utica with Rome facilities, has 40 percent of its employees in New York, but they account for nearly two-thirds of the company's compensation costs, according to Mike Thayer, ConMed manager of corporate benefits and human resources.

Owl Wire & Cable, based in Canastota with a plant in Rome, is finding it hard to "consider expansion in New York State when our workers' compensation rates have risen by 30 percent recently," said President Robert Raiti. In Georgia, where the company has another production facility, compensation rates have dropped, he said.

"Contrary to popular belief business is not against worker's compensation," said Thomas A Rahn, immediate past chairman of the Board of the Rome Area Chamber of Commerce. "The program was originally designed to assist employers in protecting the employee from loss of income due to a work-related injury and for covering the extra expenses associated with a job-related injury or illness."

Rahn said, "What we are opposed to is a system that no longer serves the needs of the injured worker (recipients) or the businesses that pay the total cost of maintaining and operating the program. What we are recommending is an overhaul to the program that will reduce out of pocket expenses on the part of the employer, while at the same time increasing the benefits paid to the injured worker. Our recommendations do not include reducing worker's benefits. However, they do include reducing the amount of time Worker's Compensation takes to navigate our complex state legal system thereby driving up cost and time the worker is off the job. We are also opposed to current provisions of the systems that encourage worker's to seek permanent disability status rather than return to meaning work."

The average workers' compensation claim has risen to \$16,114 in three years, from \$11,739. That's 86 percent above the national average, according to the National Council on Compensation Insurance. Average compensation premiums in the state are 15 percent higher than the national average.