

MEDIA RELEASE

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Administrative System Benefits Injured Worker

COSTELLO CALLS FOR REPLACING WORKERS' COMPENSATION SYSTEM

Oklahoma City – Labor Commissioner Mark Costello called for the repeal and replacement of the existing adversarial workers' compensation system before the House Committee on Insurance. The committee, chaired by Rep. Charles Key, received information from Costello extolling the benefits of moving to an administrative system, where workers' compensation lawyers are removed from most of the process. Costello holds the objective is to increase benefits to the injured worker and reduce workers' compensation insurance premium cost to businesses by taking workers' compensation lawyers out of most of the process. Lawyers would be involved in post appeals only.

Costello stated, "The existing adversarial system is a demonstrated economic failure to the injured worker and business owner. The existing court system robs the injured worker through lower levels of just compensation for their injury." Costello also spoke on how the business owner is robbed by excessively high workers' compensation insurance premiums.

Costello cited data comparing Oklahoma to Arkansas where the workers' compensation system was reformed 1993. Currently, Oklahoma businesses pay \$1.43 compared to Arkansas' \$0.56 per \$100 in payroll premiums. Costello demonstrated to the committee a \$5,590 increase in workers' compensation cost for an Oklahoma company employing 15 employees compared to an Arkansas company with 15 employees.

Oklahoma is one of only two states still settling workers' compensation disputes in court. Costello cites Title 40 that requires the state Labor Commissioner to "advance opportunities of wage earners for profitable employment" for his call for legislative repeal of the existing workers' compensation system and replacing it with an administrative system.