

NC House Bill 709 is now being discussed in the [NC General Assembly](#) . The bill is being pushed forward by republican lawmakers and proposes changes to the NC workers compensation insurance laws. These changes, if passed, could have an impact on your restaurant workers compensation insurance rates so it behooves you to understand in advance what is being proposed, why, and how it will impact your restaurant business.

Let's start with why republican lawmakers are pushing for these changes. Their basic argument is that the current workers compensation system is flawed in that it creates situations where a workplace injury can turn into a lifetime income for the injured worker and that this kind of approach has a negative impact on businesses who are deciding if they want to locate in North Carolina. In my research, I have been unable to find empirical evidence that this is true. Let's face it; there are many different factors that go into the decision of where to locate a business. This may be one of them, but how impactful it is seems to be only a point of argument, but not a measured fact.

So what are the major changes in this bill? There are many but the most controversial is the change that would limit the payout for a temporary total disability from lifetime benefits to 9 and ½ years. It seems to me that if the injured worker has lost the ability to earn a living due to injuries caused by his or her employer, then the injured worker must be taken care of by that worker's employer – read workers compensation insurer – for the rest of his or her working life. That's a fairness issue. The other very controversial part of the bill is the provision that would allow employers, their attorneys and their insurance companies to have access to the medical records and the physician of an injured worker who is seeking compensation. This provision is aimed at limiting fraudulent claims. Opponents argue that this will impact the medical care that the injured worker receives but that seems like a hollow argument to me. If the injury is legitimate, there should be no harm in sharing the medical information with those that are footing the bill for the care. In the end, the NC Industrial Commission will have the final say in what gets paid and what doesn't.

So, how will the passage of this bill impact you, the restaurant owner? I would have to believe that with a lower payout, over time, you should see lower [workers compensation insurance rates](#) in North Carolina. But most of those reductions will be aggregate in nature as opposed to affecting your current policy rates. That's because most of the savings will apply to the larger, long term claims and after your 3 year experience period is over, additional claims payouts won't affect your experience modification factor and thus your specific rates on your policy. But, if the insurance industry pays less money for claims, then over time you should see a slight reduction in your rates. There is an argument that the taxpayers will have to pick up the burden of supporting these

injured workers whose benefits will run out now after 9 and ½ years. I think that is a valid point but I think the impact will be more on the federal taxpayer than the state taxpayer. And since North Carolina is one of the last states to have a lifetime benefit for disabled workers, we are currently subsidizing all other states who don't have this benefit now. Perhaps it is time for us to get on board the shift the burden to others train.

All in all, I suspect that most restaurant owners will not notice the impact of these proposed changes should they become law. There are other, more effective things that you can and should do now to reduce your workers compensation costs, from loss control and safety programs to simply making sure that you use an insurance agent who knows the restaurant industry and understands it in a way that allows them to offer you better rates on your restaurant insurance program. Clinard Insurance Group is just such an agent. We want all of our clients to be informed consumers. We know that not every restaurant is the same and that is why we have created 5 distinct restaurant insurance programs for you to choose from. We have [a fine dining restaurant insurance package](#)

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