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Signing of SB 306 Is A Major Leap Toward Safer Workplaces and Lower Insurance Premiums in Delaware

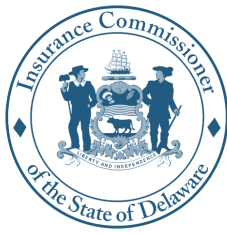
WILMINGTON, DE — In a landmark move to boost workplace safety and deliver financial relief to businesses across the state, Delaware Governor John Carney has signed Senate Bill 306 into law. This pivotal legislation, championed by Delaware Insurance Commissioner Trinidad Navarro and the Delaware Insurance Department, is set to revolutionize the Delaware Workplace Safety Program (WSP) and the Experience Rating Plan (ERP), ensuring more employers can protect their workers while enjoying significant savings.

SB 306 marks a transformative step forward by expanding access to the WSP. The bill removes the previous threshold that required employers to pay at least \$3,161 in annual workers' compensation premiums to participate. Now, WSP eligibility is directly tied to the newly revised ERP, filed by the Delaware Compensation Rating Bureau, Inc. (DCRB) and approved by the state insurance commissioner. This change means that employers with \$5,000 or more in Delaware-only workers compensation premium, over a three-year period, will automatically qualify for the WSP.

This update is expected to significantly increase participation in the WSP, with an estimated additional 2,120 employers now eligible—representing a 15% growth in the program. Historical trends suggest that around 1,320 of these newly qualified employers will actively engage in the program, driving safer workplace practices across the state.

“Senate Bill 306 is a testament to Delaware's unwavering commitment to creating safer work environments and reducing the financial burden on businesses,” said Navarro. “By expanding Workplace Safety Program eligibility and aligning it with the Experience Rating Plan, we are not only promoting safety but also delivering substantial cost savings for employers.”

In 2023 alone, Delaware's Workplace Safety Program saved participating companies a combined \$5.6 million. Mohawk Electrical Systems Inc., a leading precision assembly integrator in Milford, holds the honor of most consecutive years (37) in the Workplace Safety Program. Mohawk CEO Scott Welch, the company's third-generation owner



whose father first enrolled the company in the WSP in 1987, says he would recommend the program to any company.

"Not only has it saved us a lot of money, but it also helped us create and maintain a good safety program, which prevents our people from getting hurt," says Welch, who noted Mohawk's safety record is just one reason why the company has so many employees with more than 20 years of service.

"No one wants to go home injured. No one wants to see their friends or co-workers injured. (Our team) knows we make a strong effort to keep people safe. It's something we try to make a part of every day."

The enhanced WSP, in conjunction with the updated ERP, offers a powerful incentive for employers to prioritize safety, resulting in:

- **Lower Workers' Compensation Premiums:** Qualified employers will receive valuable WSP credits, combined with a more accurate and predictive experience rating modification factor, leading to lower insurance costs.
- **Improved Safety Practices:** The program ensures rigorous safety standards through regular testing and inspections, helping employers maintain top-tier workplace safety.
- **Better Worker Well-being:** By focusing on employee health and safety, employers create a safer, more productive work environment.
- **Optimized Program Mechanics:** The WSP credit is an additional benefit on top of the automatically applied revised ERP for eligible employers.

"We urge insurance agents, brokers, and insurers to spread the word about the benefits of the updated ERP and aligned Workplace Safety Program. This is a unique opportunity to enhance workplace safety while reducing insurance premiums," said DCRB President and CEO, Bill Taylor.

The DCRB has filed the revised ERP, with the new premium eligibility and updated values set to take effect on December 1, 2024, aligning with the next loss cost filing.