



NEW YORK STATE SENATOR

Jack M. Martins

## Senate Approves Senator Martins' Legislation To Help Stabilize Insurance Premiums For Businesses

JACK M. MARTINS June 8, 2016

| ISSUE: **WORKERS COMP.**

Senator Jack M. Martins (R-7th Senate District) announced that the New York State Senate passed legislation he sponsored that would help businesses save on their workers compensation costs by enabling the New York State Insurance Fund (NYSIF) to enhance its investment returns.

“The more money NYSIF makes from investments, the less it has to charge businesses for workers compensation and disability insurance. Letting NYSIF use the same investment guidelines as the state pension funds for their surplus funds will generate higher investment returns which lessen the burden on businesses,” said Senator Martins.

NYSIF was created to guarantee the availability at all times of workers' compensation protection at the lowest possible cost to any employer seeking coverage. It is a self-supporting insurance carrier that competes with private insurers in the workers' compensation and disability benefits markets. NYSIF is the largest provider of workers' compensation insurance in New York State.

NYSIF derives its operating income solely from insurance premiums and investments. However, the guidelines for NYSIF to make investments are more restrictive than those used

by the State Comptroller's Office for the state's pension funds. Allowing NYSIF to use those same guidelines would enable it to further diversify investment risk and increase the investment dividends earned by the fund.

The legislation (S5880) would allow NYSIF to invest its surplus funds using the same guidelines as the State Comptroller's Office for the state pension fund. NYSIF estimates that the potential financial benefit could be as high as \$25 million, which would go towards stabilizing insurance premiums for businesses throughout the state.

The legislation has been sent to the Assembly.