



# State of South Carolina

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### FOR IMMEDIATE RELEASE

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## **Governor Sanford Signs Executive Order for Objective Standards** **EXECUTIVE ORDER REQUIRES JUDGES TO FOLLOW CURRENT LAW,** **APPLY OBJECTIVE STANDARDS WHEN MAKING AWARDS**

**Columbia, S.C. – September 20, 2007** – Gov. Mark Sanford today joined with business groups from across South Carolina to sign Executive Order 2007-16, mandating that the Workers’ Compensation Commission and its commissioners follow state law in applying objective standards when making workers’ compensation awards.

The South Carolina Supreme Court has held that the workers’ compensation awards should be made in accordance with objective standards, and that their use is mandated by the “due process” clause of the state constitution. However, workers’ compensation rulings in South Carolina have varied wildly, averaging 81 percent higher than awards made in other states that follow similar guidelines. This has led in part to recent spiraling increases in workers compensation insurance – an indirect tax on every South Carolina consumer. The new order will ensure compliance with existing law, and, as a result, help reduce the cost of doing business in South Carolina in order to help grow our economy.

“Even though the bill passed earlier this year represented a big step forward, it fell short on the idea of making clear that workers’ compensation awards should be based upon objective standards, something we’re addressing today with this order,” Gov. Sanford said. “We believe this Executive Order will have a material impact in improving our workers’ compensation system, a system that had unfortunately become too subjective, was hurting our small businesses’ ability to compete, and was driving up costs for the average South Carolinian.”

Workers’ compensation reform has been a top priority for Gov. Sanford this year, one that he laid out in his State of the State as being key to our state’s continued ability to attract and grow businesses. The changes made in this year’s previous reform bill that Gov. Sanford signed, S.332, are aimed at injecting some much-needed predictability, consistency, and rationality into the workers’ compensation system in South Carolina.

In 2000, South Carolina ranked 49th in the nation in workers’ compensation premium rates and moved up to 42nd in 2002 and moved three more spots in 2004 to 39th. Currently, South Carolina has the 25th highest premium in the nation – jumping 24 spots in just six years. Last year, South Carolina’s workers’ compensation premiums grew more than 18 percent and our state ranks second in the nation since 2000 in terms of how quickly rates have increased. Meanwhile, reform in other states has produced insurance premium rate reductions for their businesses – California has seen a cumulative rate reduction of 55 percent since July 2003 while Florida’s workers’ compensation filings – which impact the cost of premiums – have seen a 13 percent decrease this year alone.

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