

Workers' Compensation Mechanisms for Jockeys

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¹ The following is a summary of the workers' compensation systems in place in New York, New Jersey, and Maryland. Helpful conversations with Alan Foreman, Martin Minkowitz, Chris Scherf, Richard Violette, and Tim Williams are gratefully acknowledged.

State: New York	System Mechanism: NYJICF = New York Jockeys Injury Compensation Fund Licensed Jockeys are treated as employees of the fund for insurance purposes	Key Elements: 1. Jockeys, Assistant Jockeys, & Exercise Riders receive full medical coverage and compensation if injured in the course of their employment. 2. All “purchasers” are covered by a single policy to obtain the lowest possible cost. 3. Effective in preventing lawsuits (relating to workplace injuries) between covered employees and owners or trainers.	Coverage & Accidents: Only licensed Jockeys, Assistant Jockeys, & Exercise Riders are covered. Injuries are covered if they occur when acting in an authorized capacity at a Thoroughbred or Quarter Horse facility in NY. In addition to workers' compensation coverage, the tracks pay (\$550) for catastrophic injury coverage for Jockeys
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State: New York	Administration: The Fund is overseen by a 7-person Board of Directors. 4 members represent the majority of horsemen using NYRA, 2 members represent the majority of horsemen using FLRA, 1 member represents the Jockeys Guild, and all members have equal voting rights. Board members have no salary, but are reimbursed for actual expenses necessary to perform official duties. Business transactions require the approval of 4 Board members.	Costs: (for 2002) Funds to pay medical & monetary compensation claims come from 3 sources: Flat fee, Stall fee, and a percentage of purses: Flat Fee: Owners / Trainers pay \$420 (annually) Shippers pay \$105 per start (but not more than \$420 annually) Stall Fee: Horsemen pay assessments of \$0.40 per day per stall at NYRA, and \$0.12 per day per stall at FLRA. The primary purpose of the stall charge is to determine the appropriate premiums. Purse Percentage: 0.65% of all purses (with a maximum of \$2000 per race) earned go to the fund.	Positives: Successful history – Fund has been effective for over a decade. Rates are fairly low. Stall fees are an accurate, non- payroll measure of exposure to risk.	Negatives: Not portable: coverage is only for NY tracks.
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State:
New York

Other Details:

The Fund (NYJICF) is overseen by the New York State Racing & Wagering Board (SWRB) and must annually submit a plan of operation, a financial report as well as report any fundamental changes.

All accidents must be reported and filed with the insurance carrier.

Backstretch workers are not covered by the NYJICF. Currently, there is no impetus to have them receive coverage under the fund. They have a premium, with a returned dividend system - last year paid \$275 and received \$270 in dividend. Usually the dividend covers the next year's premium.

All jockeys and all stable employees shall be insured for workers' compensation by either the owner or trainer according to which one is the employer, as defined by the Workers' Compensation Law, and usual certificate of insurance shall be filed with the commission before license be issued to such owner or trainer, as the case may be. If the insurance underwriter should advise the commission that the insurance coverage is cancelled or suspended for nonpayment of premium or otherwise, the jockey shall not be permitted to ride nor the stable employees to act for the employer unless and until the insurance is fully reinstated.

State New Jersey	System Mechanism: Private Insurance	Key Elements: Exercise Riders are treated as independent contractors	Coverage & Accidents: In addition to workers' compensation coverage, the tracks pay (\$550) for catastrophic injury coverage for Jockeys
	Privately purchased policies cover everyone but exercise riders.	Jockeys must be covered by Workers' Compensation	
		Jockeys receive "quasi-double coverage" as they are also insured by owners. Owners must buy policies to cover jockeys in the afternoon. However, the lobbying efforts (by the NJ Horsemen's Association) mean that owners don't have to pay the premiums. The money comes out of purses, and then goes into a fund managed by the state of NJ/racing commission to pay the owners' premiums.	

State New Jersey	Administration: No State Fund Exists	Costs: (for 2002) Minimum Premium Policy is roughly \$1200	Positives: Rates are reasonable by national standards.	Negatives: Premiums are subject to change.
		Rate per \$100 of payroll is approximately \$11		Minimum premium policy has increased by about 250% in the past 5 years

State Maryland	System Mechanism: MJICF = Maryland Jockeys Injury Compensation Fund	Key Elements: All licensed Owners and Trainers are required to pay into the fund to pay for coverage for Jockeys.	Coverage & Accidents: In addition to workers' compensation coverage, the tracks pay (\$550) for catastrophic injury coverage for Jockeys
	For the purposes of Workers' Compensation, Jockeys are the employees in the Maryland Jockeys Injury Compensation Fund	For all other (non-WC) purposes, Jockeys are treated as independent contractors.	

State Maryland	Administration: Insurance is underwritten by the state accident fund. The state fund offers a total premium, and then it is split evenly among all licensed Owners and Trainers.	Costs: The last couple of years the annual premium has been \$150, and for 2003 it is \$175.	Positives: Good track record: This system has been in place for about 17 years.	Negatives: Exercise Riders are not covered	Other Details: Years ago a proposal was made to expand the Maryland system nationally. At the time it was met with considerable outrage, as many felt that Jockeys should be purchasing their own coverage.
		The typical premium is \$100 per year per owner/trainer.	The rates have been fairly steady over time.	There has been some flight by owners - leaving the state of Maryland, which of course raises the rates for those remaining. The insurance rates (for Jockeys), however, were not necessarily the cause of this movement out of the state.	Initially the MJICF covered both Jockeys and Exercise Riders (morning & afternoon). There were instances of fraud (inept riders were getting on horses in the morning and getting hurt, and receiving compensation). So now only Jockeys, in the afternoon, are covered.