



NOTICE TO OREGON EMPLOYERS

OCTOBER 21, 2008

WHAT EMPLOYERS WILL PAY FOR WORKERS' COMPENSATION IN 2009:

- Workers' compensation insurance premiums: The average pure premium rate will decline by 5.9 percent from the average 2008 level. Pure premiums are the base rates, before insurer costs are added.
- Workers' Benefit Fund ("cents-per-hour") assessment: 2.8 cents per hour or partial hour worked by each paid employee subject to workers' compensation coverage, unchanged from 2.8 cents per hour in 2007 and 2008.
- Premium assessment: 4.6 percent for 2009, based on premiums paid, unchanged from 4.6 percent in 2007 and 2008.

Please share this notice with your payroll and risk management staff.

2009 Workers' Compensation Insurance Average Premium Rate

The Department of Consumer & Business Services has determined that the average pure premium rate Oregon employers will pay for workers' compensation insurance in 2009 will decrease by 5.9 percent from the average 2008 level. The pure premium rate is the base premium reflecting the actual cost of workplace injury and illness claims, before insurer administrative expenses and profit are added. This is the third consecutive year the rate has decreased, following four years in a row with no change in the rate. Prior to that, there were 12 consecutive annual decreases from 1991 to 2002. The cumulative decrease in pure premiums since 1990 totals nearly 62 percent and represents an estimated \$16.4 billion in workers' compensation premium savings to employers. *The 2009 rate decrease of 5.9 percent represents an average across all types of businesses. Rates for specific businesses and industry groups may be higher or lower, depending on group and individual claim records. Employers pay their premiums directly to their insurers. Premiums do not fund state programs or services.*

2009 Workers' Benefit Fund Assessment ("Cents-Per-Hour") Rate

For calendar year 2009, the Department of Consumer & Business Services has set the Workers' Benefit Fund assessment rate at 2.8 cents, unchanged from calendar years 2007 and 2008. This applies to each full or partial hour worked by each paid individual that an employer is required or chooses to provide with workers' compensation insurance coverage. This fund pays for programs that provide direct benefits to injured workers and their beneficiaries. The fund also provides money to help employers help injured workers return to work. Employers that fail to provide workers' compensation coverage required by law are still subject to the assessment. *The rate of 2.8 cents per hour is the employer's and worker's rate combined. Employers pay at least half (1.4 cents per hour) of this assessment, and deduct no more than half from workers' wages. Each quarter, employers use Forms OQ and OTC (or approved electronic equivalents) to report and pay the full assessment amount to the state through Oregon's Combined Payroll Tax Reporting System.*

2009 Workers' Compensation Premium Assessment Rate

Effective Jan. 1, 2009, the assessment used to fund workers' compensation related programs and workplace safety and health programs that serve Oregon employers and workers will be set at an amount equal to 4.6 percent of the premiums charged for workers' compensation coverage. The 2009 premium assessment rate of 4.6 percent is unchanged from the rate effective during 2007 and 2008. Self-insured employers and self-insured employer groups will pay a rate of 4.8 percent, which is unchanged from 2008. *Workers' compensation insurers, self-insured employers, and self-insured employer groups pay this assessment to the state. Insurers can pass on the cost of the assessment to the employers they cover, but must identify that cost as a separate line item on billing statements.*

For more information about workers' compensation costs, contact your insurer; call the Oregon Department of Consumer & Business Services, 800-452-0288, or visit www.dcb.s.oregon.gov and click on "2009 Workers' comp. rate info."

Workers' Compensation Services for Employers

The Department of Consumer & Business Services provides many services to Oregon employers to help them lower workers' compensation costs, understand workers' compensation law, and improve workplace safety and health. The following is a sampling of those services.

Return-to-work assistance for both employers and injured workers

All parties benefit when injured workers return to gainful employment. The Workers' Compensation Division administers the Employer-at-Injury Program and the Preferred Worker Program, which are funded by worker and employer payroll assessments. Employers using these programs receive financial benefits. The Preferred Worker Program's "Job Match" Web site (go to www.oregonpwp.info and click "Job Match Postings") helps preferred workers (injured workers with permanent disabilities) connect with employers. Call 503-947-7588.

Training

- ◆ The Workers' Compensation Division provides training, conferences, workshops, and speakers to help you understand workers' compensation issues. Training can be tailored to any audience, and some sessions offer continuing-education credit. Call 503-947-7515.
- ◆ Oregon OSHA provides workshops on basic safety and health programs, safety committees, and accident investigation as well as technical training on specific topics such as ergonomics and excavations. For more information, call 503-947-7443 or 888-292-5247.

Safety and health consultations

Oregon OSHA offers no-cost, on-site safety and health assistance to help Oregon employers recognize and correct workplace safety and health problems. Call 503-378-3272 or 800-922-2689 or e-mail consult.web@state.or.us.

Safety and health recognition

Oregon OSHA recognizes employers for making a commitment to workplace safety and health through SHARP (Safety and Health Achievement Recognition Program) and VPP (Voluntary Protection Program). Call 503-947-7437 or 800-922-2689 or e-mail consult.web@state.or.us.

Small Business Ombudsman

The Small Business Ombudsman for workers' compensation serves as an advocate for employers. Employers looking for workers' compensation insurance coverage and needing assistance in claim processing or claim management may contact the office, 503-378-4209.

Web sites

- ◆ The Workers' Compensation Division's Web site (www.wcd.oregon.gov) is tailored to the needs of employers, self-insured employers, injured workers, preferred workers, insurers, attorneys, medical providers, vocational providers, managed care organizations, and worker leasing companies. It offers rules and bulletins, forms, publications, and educational opportunities.
- ◆ The Oregon OSHA Web site (www.orosha.org) provides information on many health and safety topics, upcoming workshops, and links to rules, forms, and publications.
- ◆ You can sign up for e-mail notification on both sites.

More information

Workers' compensation questions? Call the Workers' Compensation Division at 800-452-0288 or e-mail workcomp.questions@state.or.us.

Safety and health questions? Call Oregon OSHA at 503-378-3272 or 800-922-2689 or e-mail tech.web@state.or.us.



Oregon

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October 21, 2008

Dear Oregon employer:

For the third straight year, the Department of Consumer and Business Services is pleased to inform you that workers' compensation insurance rates are decreasing. On average, employers in Oregon will see a 5.9 percent decline in the "pure" premium rate in 2009. That follows a 2.3 percent reduction in 2008 and a 2.1 percent decrease in 2007. In fact, workers' compensation rates have not increased in Oregon in 19 years – an unprecedented streak no other state can match.

Oregon has been able to keep rates low because of the hard work of employers and workers. Together, they have made workplaces safer, resulting in fewer, less severe injuries. The department also works closely with all parties in the workers' compensation system – including health care providers and insurers – to control medical costs.

Another major factor in maintaining low workers' compensation costs has been the use of innovative, nationally recognized return-to-work programs. In Oregon, we have two programs that help injured workers return to work faster with good wages: The Employer-at-Injury Program and the Preferred Worker Program. The programs offer incentives, such as wage subsidies and funds to modify worksites, to employers that bring injured workers back to work. Each year, these programs help more than 8,000 injured workers and return approximately \$25 million to employers.

We have made many changes to these programs in recent years that have made them more accessible for employers and workers. We have streamlined access to the programs for employers and insurers and allowed workers to enter these programs earlier, even before their claim has been accepted. We also made a major change to open up our Preferred Worker Program, allowing the employer-at-injury to request financial assistance; previously only the worker could make such requests.

As a result of these and many other improvements, more workers and employers are using these programs. We have seen a 30 percent increase in our most widely used program, the Employer-at-Injury Program, in the past four years.

When a worker is injured at your organization, we encourage you to take advantage of the return-to-work programs. You can work with your workers' compensation insurer to access program benefits or you can call our Workers' Compensation Division Employment Services Team at 1-800-445-3948.

Getting workers back to work quickly has become a hallmark of the Oregon workers' compensation system. Working together, we can continue and build on that great tradition.

Cory Streisinger, Director
Oregon Department of Consumer and Business Services



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**2009 Workers' Compensation
Premium Rate Information Enclosed**