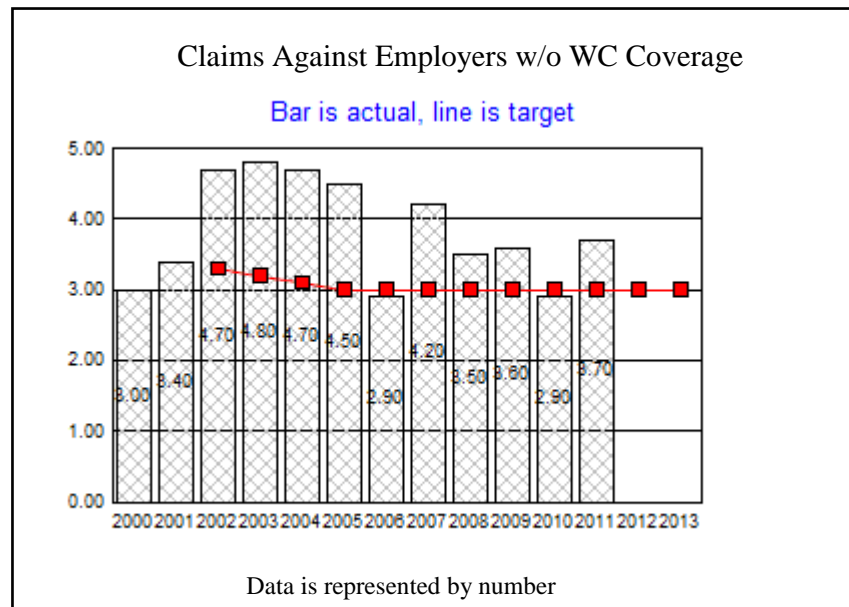


KPM #8	WORKERS' COMPENSATION COVERAGE – Number of claims against employers without workers' compensation coverage per 1,000 accepted disabling claims.	1999
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
Data Source	Counts maintained in the Workers' Compensation Division's Claims Information System.	
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1. OUR STRATEGY

Ensure businesses and organizations have workers' compensation insurance coverage. The department achieves that goal through education, enforcement, data tracking, and partnerships with other agencies. This measure is a proxy, (substitute) for identifying the number of employers operating without workers' compensation insurance coverage. The

measure reflects the department's effectiveness in compelling employers to provide workers' compensation coverage for their employees.

2. ABOUT THE TARGETS

WCD records and monitors workers' compensation coverage for approximately 93,800 Oregon employers and their 1.6 million employees that are subject to workers' compensation. This measure tracks the number of workers' compensation claims made against employers without insurance. A low number is desired for this measure because it indicates fewer employers are operating without workers' compensation insurance.

3. HOW WE ARE DOING

The department continues to achieve a high level of compliance with workers' compensation coverage laws, which protects both the employer and the employee in the event of a workplace injury. For fiscal year 2011, 3.7 out of every 1,000 accepted disabling injured worker claims were made against an employer without workers' compensation coverage. This indicates that, on average, 99.64 percent out of every 1,000 accepted disabling workers' compensation claims were filed by employees whose employers provided workers' compensation coverage.

4. HOW WE COMPARE

Exact comparison data from other states is not available, though a similar metric measured by the National Council on Compensation Insurance (NCCI) in July 2009 shows that Oregon compares favorably to the rest of the nation in ensuring that employers have workers' compensation insurance. The NCCI looked at the percent of companies that reported that they had workers' compensation insurance and found that 98.7 percent of Oregon companies reported having workers' compensation coverage compared to 97.9 percent of companies nationwide.

5. FACTORS AFFECTING RESULTS

Small changes in the number of noncomplying employer claims (claims from employers who do not provide workers' compensation insurance) can significantly alter the results since the number of noncomplying employer claims is so low. In the past five years, the department has recorded on average 21,085 accepted disabling claims annually, and of these less than 0.5 percent were from noncomplying employers. Also, changes in the Workers' Compensation Division (WCD) investigation processes or insurance coverage costs may affect results. Mandatory electronic reporting of workers' compensation insurance policies, which became effective July 1, 2009, gives WCD additional information that helps improve compliance of employers to purchase workers' compensation insurance coverage for Oregon workers.

6. WHAT NEEDS TO BE DONE

To reduce the number of Oregon employers without workers' compensation insurance coverage, WCD is expanding education and enforcement efforts and partnering with other agencies. For example, many employers are currently using temporary staffing, worker-leasing arrangements, or outsourcing to maintain profitability in the current economy. WCD provides workshops for staffing providers to help them ensure that workers' compensation coverage is provided and that claims are properly handled. WCD actively participates

and provides leadership in ongoing education for business owners through small-business fairs held in various parts of the state. WCD organizes and presents educational opportunities for insurance agents, accountants, and business executives, further promoting compliance with coverage requirements. These educational efforts will continue.

WCD also will continue to work with other agencies, such as the Employment Department, the Department of Revenue, and the Construction Contractors Board, as part of the Interagency Compliance Network to verify that employers have workers' compensation coverage and comply with other employment laws. Referrals and cooperation among agencies ensure resources are used effectively to protect workers and establish a level playing field for businesses in Oregon.

7. ABOUT THE DATA

Data for this key performance measure is collected monthly and reported for the Oregon fiscal year (July 1 – June 30). This is a “proxy” or substitute measure intended to represent the relative number of employers operating in Oregon without workers' compensation insurance. Data is reported as the number of accepted disabling claims filed where the employer did not provide workers' compensation coverage per 1,000 total accepted disabling claims reported to WCD. The number, 3.7, indicates that only 3.7 out of every 1,000 (0.37 percent) accepted disabling workers' compensation claims filed are from employees injured at businesses that do not have workers' compensation insurance coverage. The outcome of this measure stays fairly stable regardless of outside influences such as economic change, number or size of employers, and law changes.