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## **Workers' compensation costs to decrease in 2008**

*Oregon continues to keep costs low for employers while improving benefits for workers*

(Salem) —Oregon's unprecedented streak of low workers' compensation costs continued today, as the Department of Consumer and Business Services announced a 2.3 percent decrease in the workers' compensation "pure" premium rate for 2008. The reduction marks the second straight year for a rate decrease and the 18th consecutive year with no rate increase — a national record.

"Oregon's workers' compensation system continues to be a national model for its low costs, improved benefits, and innovative programs," said Governor Kulongoski. "Eighteen years without a rate increase is a remarkable accomplishment that no other state can match."

The pure premium rate is the base rate employers pay their insurance company for workers' compensation coverage. Low workers' compensation premium rates help Oregon compete against other states to attract and retain businesses. In 2008, Oregon's employers will pay about 32 percent less per \$100 of payroll for workers' compensation insurance than employers in California, and about 14 percent less than those in Washington State. Premium rate decreases have saved Oregon employers billions of dollars — if rates had stayed flat since 1990, employers would have paid an additional \$14.5 billion in premium.

Improved workplace safety is one of the major reasons the rates in Oregon have gone down. Workplace injury and illness rates in the state have declined 50 percent since 1988. At the same time, benefits to injured workers have continued to go up. Benefits for permanent partial disability have increased, and Oregon's benefits for time loss are now among the highest nationally. For the past 14 years, there has been almost no change in the rate at which workers' claims are denied.

"Collaboration between labor and management has been key to the successful turnaround of Oregon's workers' compensation system, which began in 1990," said Cory Streisinger, director of the Department of Consumer and Business Services, which administers the workers' compensation system. "Employees and employers have worked together to make their workplaces safer, and they have been deeply involved with us in other improvements to make the system more efficient."

On average, Oregon employers can expect a 2.3 percent decrease in pure premium, but some employers will see rates go up and others may see no change. Specific cost changes vary from business to business, depending on the employer's industry, claims experience, workforce, and other factors.

The Department of Consumer and Business Services also announced that two workers' compensation fees will remain unchanged next year, following five years of repeated decreases. The workers' compensation premium assessment, which pays for the administration of workers' compensation and workplace safety programs, is proposed to remain at 4.6 percent in 2008 (4.8 percent for self-insured employers and employer groups). The Workers' Benefit Fund assessment, which pays for special benefits for injured workers and their employers, will remain at 2.8 cents per hour worked in 2008. Employers and workers each pay half of the Workers' Benefit Fund assessment.

The department has been able to keep these assessments steady in 2008 while increasing its investment in programs that benefit injured workers. For example, the Workers' Benefit Fund assessment pays for Oregon's nationally recognized reemployment assistance programs, which provide incentives to employers who return injured workers to work. Employers can receive wage subsidies and funds to modify their workplaces to

accommodate an injured worker. The department has made many enhancements to these programs during the past year including making them more accessible to employers and partnering with other organizations to offer reemployment assistance to workers.

“Our return-to-work programs help workers return to work faster, at wages comparable to what they were making before their injury,” Streisinger said. “This is better for workers’ long-term recovery, and it saves their employers significantly in claims costs.”

The pure premium rate and the Workers’ Benefit Fund assessment go into effect Jan. 1, 2008. The Department of Consumer and Business Services will hold a hearing to invite public comment on the premium assessment recommendation Sept. 24 at 10 a.m. in conference room “F” in the Labor and Industries Building, 350 Winter St. NE in Salem.

Please see links below for more information:

[Workers’ Compensation Rate Q&As](#)

[Workers’ Compensation Rate Fact Sheet](#)

[Workers’ Compensation Rate Graphs and Charts](#)

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