

**BEFORE THE DIRECTOR OF THE
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
OF THE STATE OF OREGON**

PUBLIC RULEMAKING HEARING

In the Matter of the Amendment of OAR: 440-045, Premium Assessment))))	TRANSCRIPT OF TESTIMONY
---	------------------	----------------------------

The proposed amendment to the rules was announced in the Secretary of State's *Oregon Bulletin* dated Sept. 1, 2023. On Sept. 21, 2023, a public rulemaking hearing was held as announced at 3 p.m. via teleconference from the Labor & Industries Building, 350 Winter Street NE, Salem, Oregon. Marie Loiseau, from the Workers' Compensation Division, was the hearing officer. The record will be held open for written comment through Sept. 28, 2023.

INDEX OF WITNESSES

Witnesses	Page
No public testimony	NA

TRANSCRIPT OF PROCEEDINGS

Marie Loiseau:

Good afternoon, everyone, and welcome. This is a public rulemaking hearing. My name is Marie Loiseau, and I'll be the presiding officer for the hearing today.

The time is 3 p.m. on Thursday, September 21, 2023. We are streaming this virtual meeting from the Labor & Industries Building, at 350 Winter St. NE, in Salem, Oregon. We are making an audio recording of today's hearing and will make a transcript.

If you wish to present oral testimony today, I will add your name to the roster.

The Department of Consumer and Business Services proposes to amend chapter 440 of the Oregon Administrative Rules, specifically: Division 045, regarding Premium Assessment.

The Department of Consumer and Business Services has:

- Filed the notice of proposed rulemaking with the Oregon Secretary of State on August 28, 2023.
- Mailed the notice to its electronic mailing lists;
- The Department announced the proposed premium assessment rates in a news release dated September 6, 2023; and
- Stamped in supporting testimony that is:

- Exhibit 1: Workers' Compensation Premium Assessment Rate Recommendation for Calendar Year 2024; and
- Exhibit 2: Assessment Rate Recommendations for the Calendar Year 2024 for the Self-Insured Employer Adjustment Reserve, the Self-Insured Employer Group Adjustment Reserve Public Sector Subaccount and the Self-Insured Employer Group Adjustment Reserve Private Sector Subaccount.
-

Copies of the notice of proposed rulemaking hearing and testimony are available on the Department's website or will be after this hearing. The Oregon Secretary of State published the hearing notice in its *Oregon Bulletin* dated September 1, 2023.

This hearing gives the public the opportunity to provide comment about the proposed rules. In addition, the division will accept written comment through and including September 28, 2023 and will make no decisions until all of the testimony is considered.

Andrew Stolfi, the Director of the Department of Consumer and Business Services, was unable to attend the hearing today. However, I will read an extract of the Director's written testimony into the record, and that testimony is the majority of a memo dated today, September 21, 2023:

"The workers' compensation premium assessment pays for workers' compensation-related programs and workplace safety and health programs that benefit Oregon employers and workers. The Department of Consumer and Business Services (or DCBS) primarily administers these programs, which serve workers and employers by supporting safe workplaces, appropriate benefits for injured workers, fair resolution of disputes, and an economically sustainable, well-regulated system.

Workers' compensation insurers, self-insured employers, and self-insured employer groups pay this assessment to DCBS. 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.

The Oregon workers' compensation system consistently delivers positive results at a low and predictable cost. Oregon's "pure premium" rate (which represents costs of claims) is among the lowest in the nation and will decrease an average of 6.7 percent for employers in 2024. Maintaining a low-cost, stable workers' compensation system is a significant factor in attracting and retaining jobs in Oregon.

For 2024, our analysts recommend that the premium assessment rate remain at 9.8 percent for all insurers, self-insured employers, and self-insured employer groups, with additional premium assessments to remain at 2023 levels of 0.1 percent for self-insured employers and public self-insured employer groups, and 0.5 percent for private self-insured employer groups.

Our goals are three-fold:

- Charge the minimum assessment necessary to fund the programs and services needed to carry out our mission and provide a strong workers' compensation system for Oregon workers and employers;
- Maintain an adequate fund balance to cushion the system against economic fluctuations; and
- Minimize assessment volatility so that employers can rely on reasonably predictable costs."

That was from the Director's testimony. The Director's testimony will be posted to the website as "Exhibit 3" after today's hearing.

We are ready to receive public testimony. Is there anyone on the connection today who would like to testify at this time?

For the record, I am seeing no one.

In a moment I will recess the hearing, and will check back every ten minutes or so to see if someone has appeared late and wishes to provide testimony. We will resume for additional testimony if any additional parties come forward and wish to testify before 4 p.m. today.

OK. The hearing is recessed at 3:06 p.m..

The hearing is resumed at 3:58 p.m. Does anyone else wish to testify at this time?

For the record, no one is coming forward with testimony.

Hearing no one, this hearing is adjourned.

The time is now 3:59 p.m.

Thank you so much for coming!

Transcribed from a digital audio recording by Marie Loiseau, September 25, 2023.