Division of Financial Regulation and Workers' Compensation Division: a shared mission

DFR | Division of Financial Regulation

Department of Consumer and Business Services

Presentation overview

- Snapshot of DFR and its functions
- DFR interaction with MLAC
- DFR regulation of workers' compensation insurers

Goal: **maintain a stable, fair, and accessible insurance market for all Oregonians**

Division of Financial Regulation (DFR)

- Protecting Oregonians' access to fair and reliable financial services and insurance products
  - Insurance market regulation and oversight
  - Consumer education, outreach, and advocacy
  - Promoting affordability and accessibility of insurance coverage

- Broader financial regulation:
  - Insurance, banks, credit unions, mortgage lending, securities, consumer finance, and more

DFR: a strong foundation of oversight

- Licensing insurers to write various lines of insurance, including workers' comp
- Monitoring financial solvency
- Product regulation (rate, rule, and form review in accordance with the Insurance Code)
- Coordinating assigned risk carrier bid and selecting the servicing carriers
- Supporting pure premium ratemaking
- Reviewing and approving the annual loss cost and assigned risk rate filing submitted by NCCI
- Participating in ORAC with NCCI and workers' comp stakeholders to review and update the classification rating plan as needed
- Approving the expense load for voluntary market insurers
- Investigating insurer misconduct and taking enforcement action where appropriate

Protecting both Employers and Workers

- Employers:
  - Preserving a competitive insurance marketplace
  - Financial oversight of insurers
  - Insurance product and rates review
  - Consumer assistance
  - Market conduct oversight

- Workers:
  - Financially solvent insurers paying claims
  - Claims practices oversight
  - Consumer advocacy resources
  - Regulatory oversight supporting confidence in the system

DFR and MLAC

- Provide regulatory guidance and expertise
- Share insurance market information
- Support discussion on workers’ compensation policy
- Active participation in rulemaking and legislative activity
- Coordinating with other stakeholders

Authorizing Workers’ Comp Insurers

- DFR reviews new applications for workers’ comp insurers and also monitors current carriers on an ongoing basis in the following areas:

  - Financial strength
  - Regulatory/Code compliance
  - Corporate governance
  - Licensing requirements
  - Market conduct

Workers' Comp: administration of statutes and rules

- WCD ensures that the workers' comp system is being administered properly in accordance with Oregon law
    - Employer compliance
    - Claims handling
    - Delivery of benefits
    - Managing medical and vocational processes
    - Return-to-work requirements
    - Compliance with ORS 656 and OAR 436

Assigned Risk Market

DFR coordinates the selection of Oregon’s assigned risk service carriers

- Conduct the selection process and select the servicing carriers
- Evaluate proposals
- Coordinate with all relevant stakeholders
- Help ensure that employers who are unable to obtain voluntary market coverage have access to workers’ compensation insurance through an assigned risk carrier
- This selection process typically occurs every three years

Pure Premium Ratemaking

DFR collaborates with WCD, NCCI, industry stakeholders, and MLAC

DFR reviews filings, provides actuarial and regulatory expertise, and supports transparency throughout the ratemaking process

DFR ensures that rates are actuarially supported and comply with all Oregon statutes and administrative rules

Contacts

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