Workers' compensation rates 2027

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Matt West, WCD Administrator
Department of Consumer and Business Services

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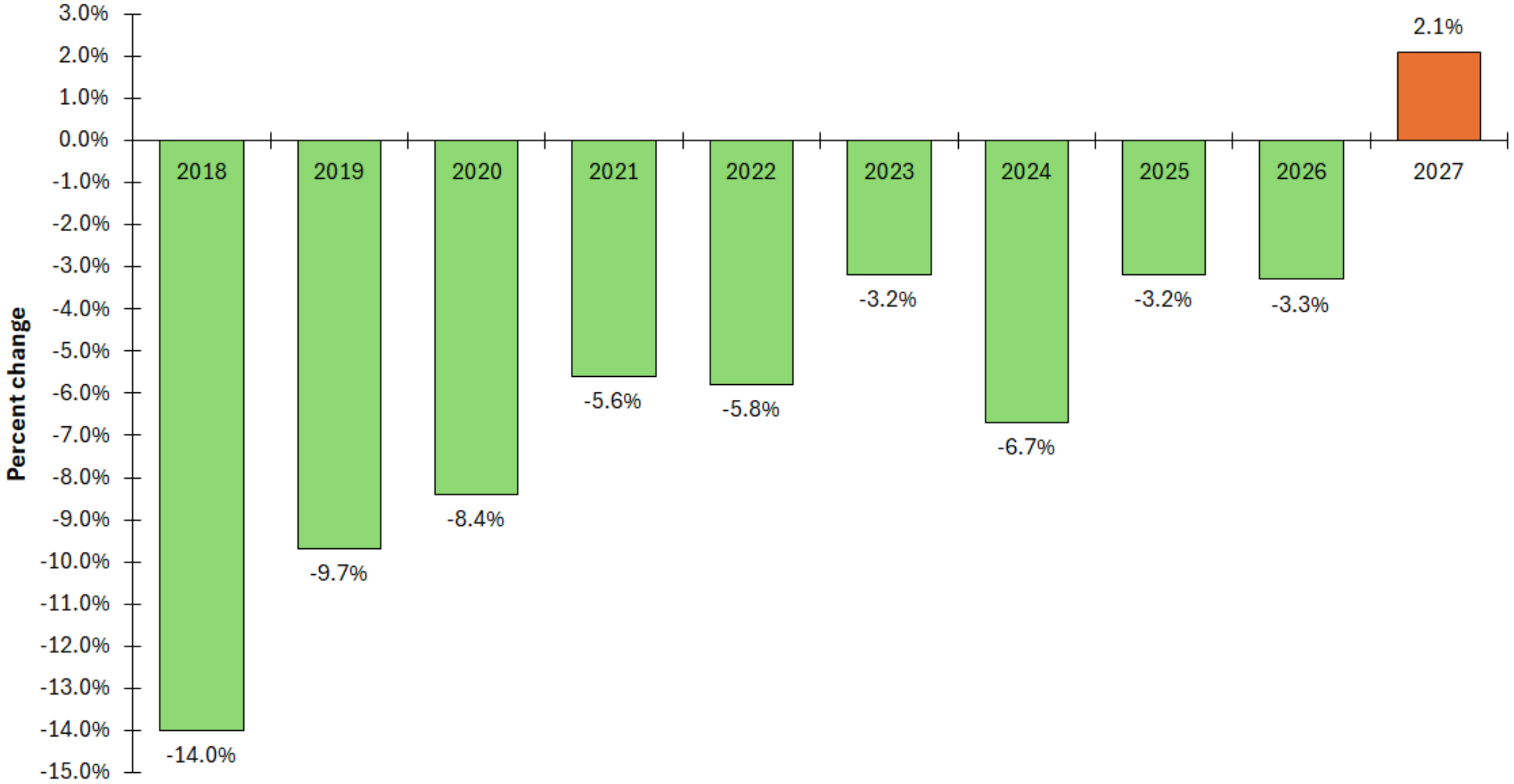
Workers' compensation rates

- Pure premium: Portion of workers' compensation premium to cover expected medical and indemnity costs
- Premium assessment: Funds workers' compensation system programs
- Workers' Benefit Fund (WBF) assessment:
  - Return-to-work programs
  - Increased benefits over time for permanently and totally disabled workers
  - Benefits to families of workers who die from workplace injuries or diseases

Pure premium

- NCCI makes recommended rate changes
  - Based on medical cost trends, payroll changes, legislative changes, etc.
- Department of Financial Regulation reviews and approves recommended rate changes
- 2027 pure premium will increase by average 2.1 percent
  - Individual employers may see larger or smaller increases, no change, or decrease
  - Primary driver: SB 1519

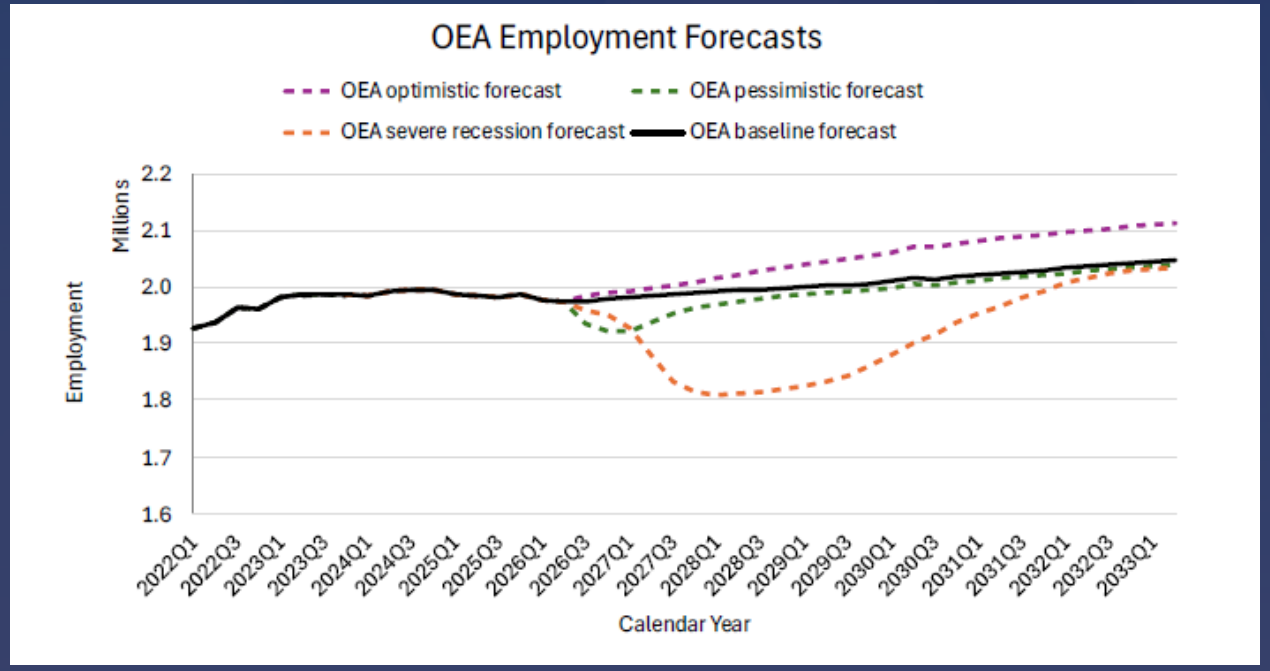
Oregon average pure premium rate changes



**This chart shows pure premium will increase an average of 2.1 percent in 2027 from 2026. Pure premium is the base rate employers pay to their insurance company before adding insurer expenses and profit.*

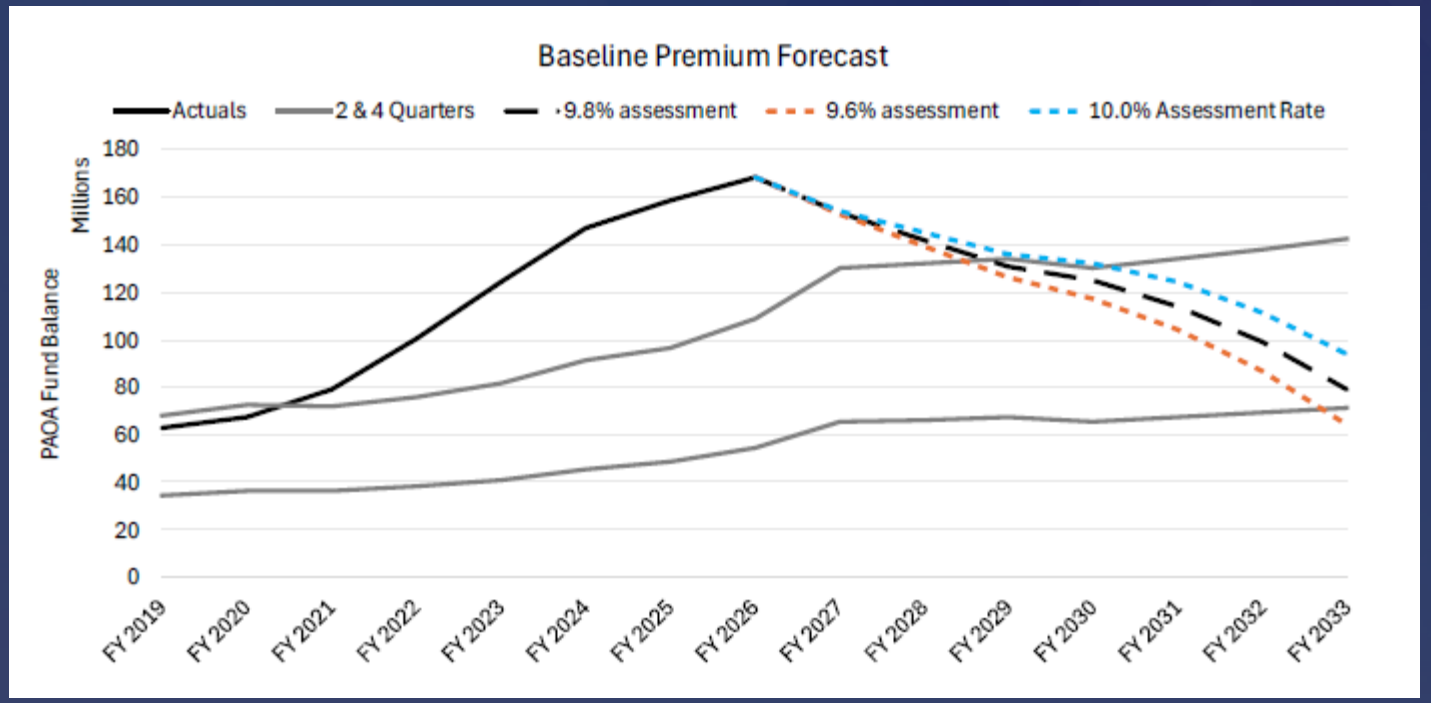
Premium assessment and WBF assessment

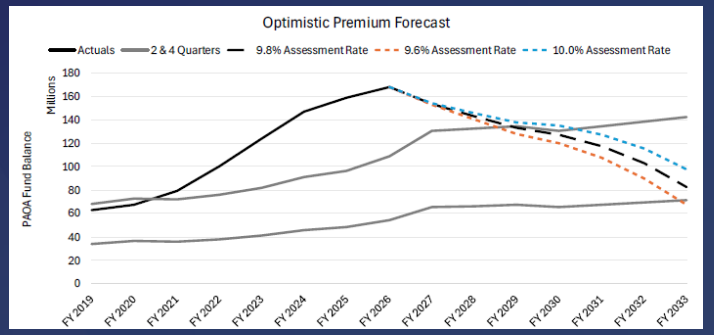
- Set with projected revenues, expenditures, and transfers
- Most recent economic and employment forecasts from the Office of Economic Analysis

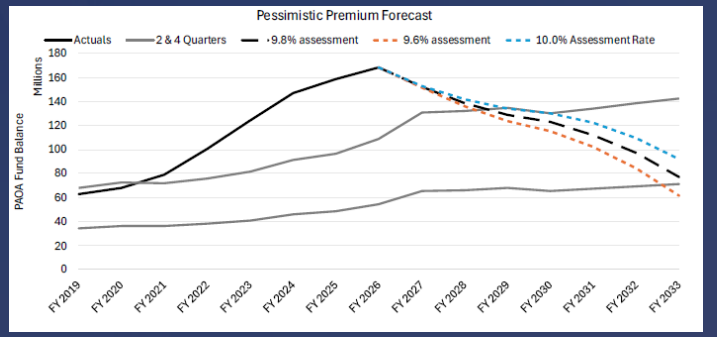


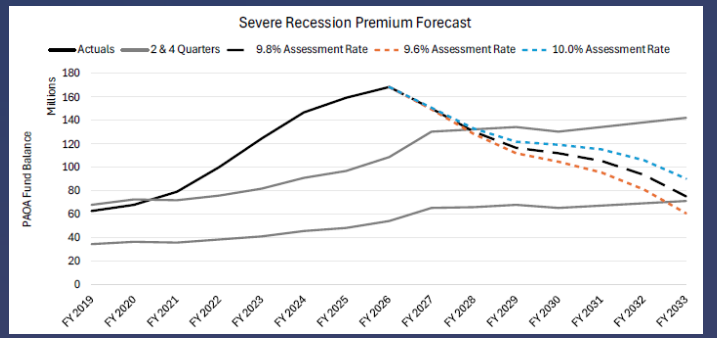
Premium assessment

2027 premium assessment will remain 9.8 percent

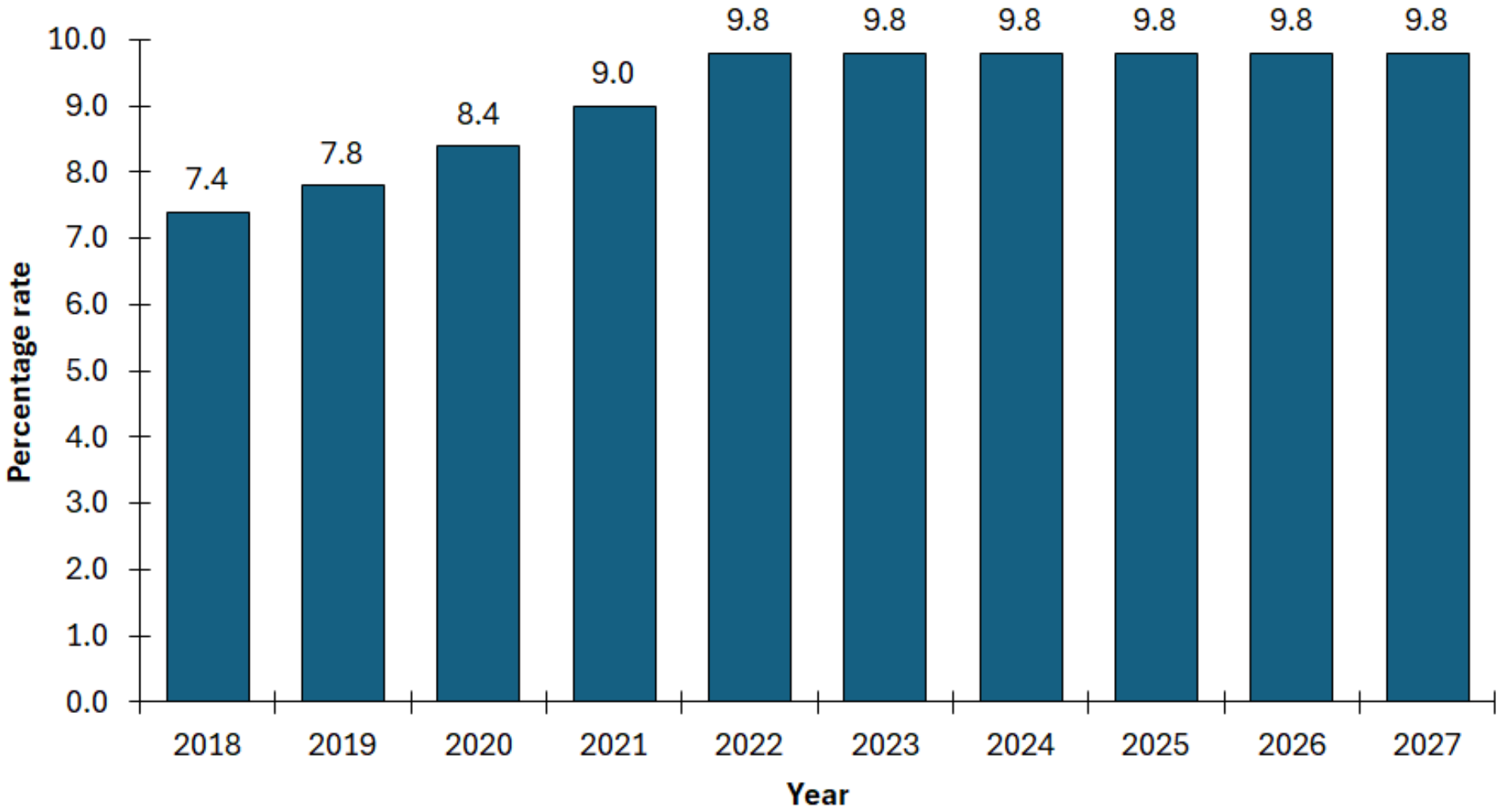








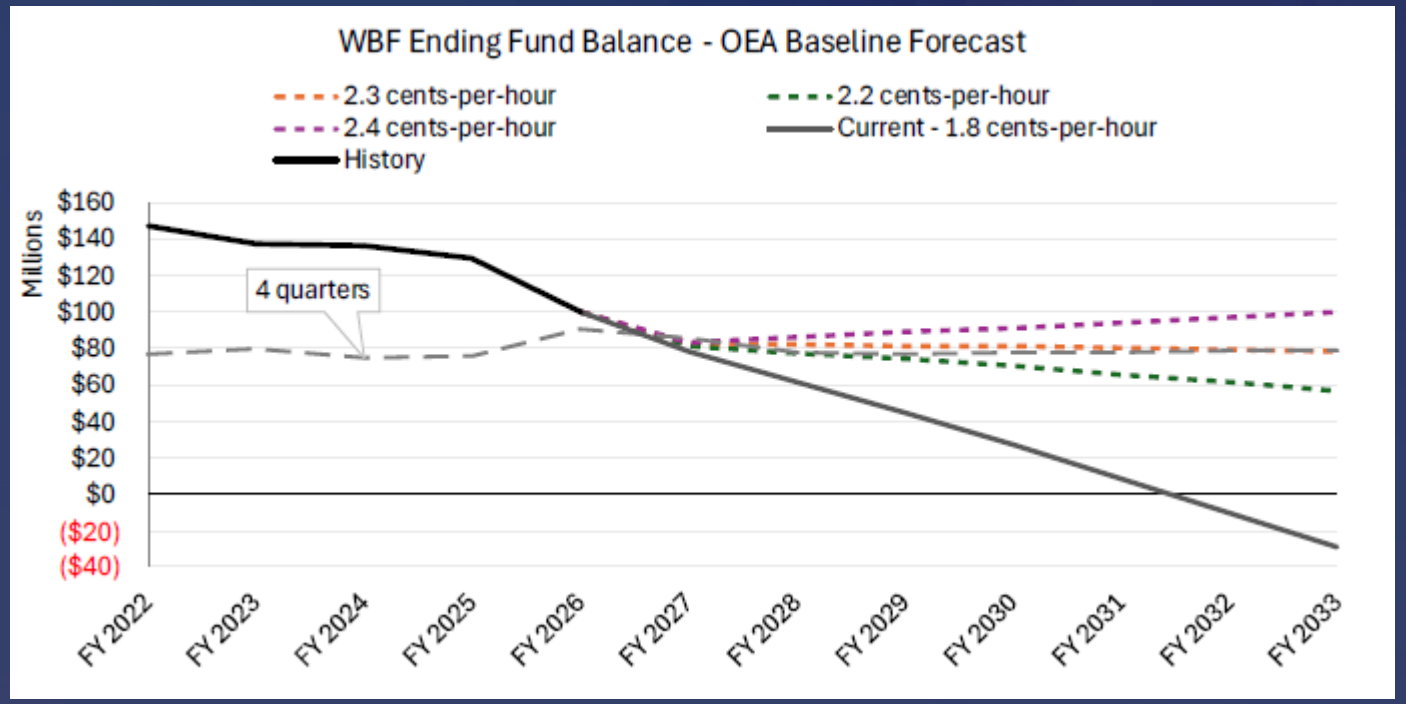
Oregon workers' compensation premium assessment rate

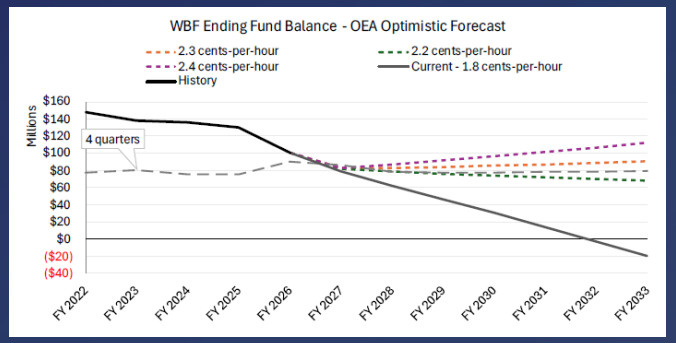


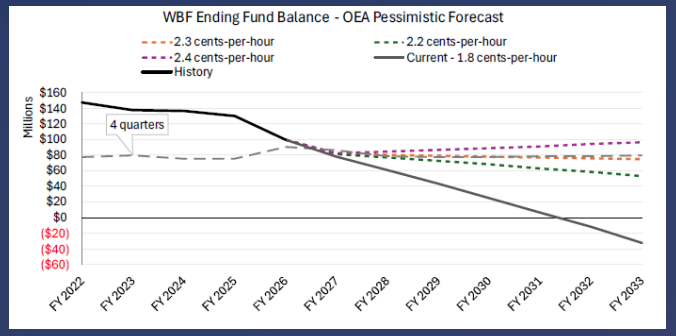
**This graph shows that employers will pay 9.8 percent of their workers' compensation premiums in 2027 for state administration of workers' compensation programs.*

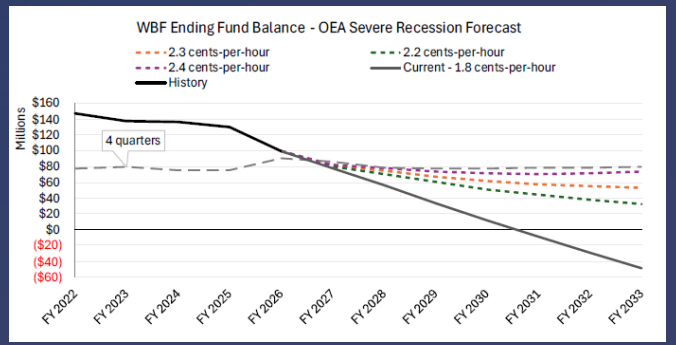
WBF assessment

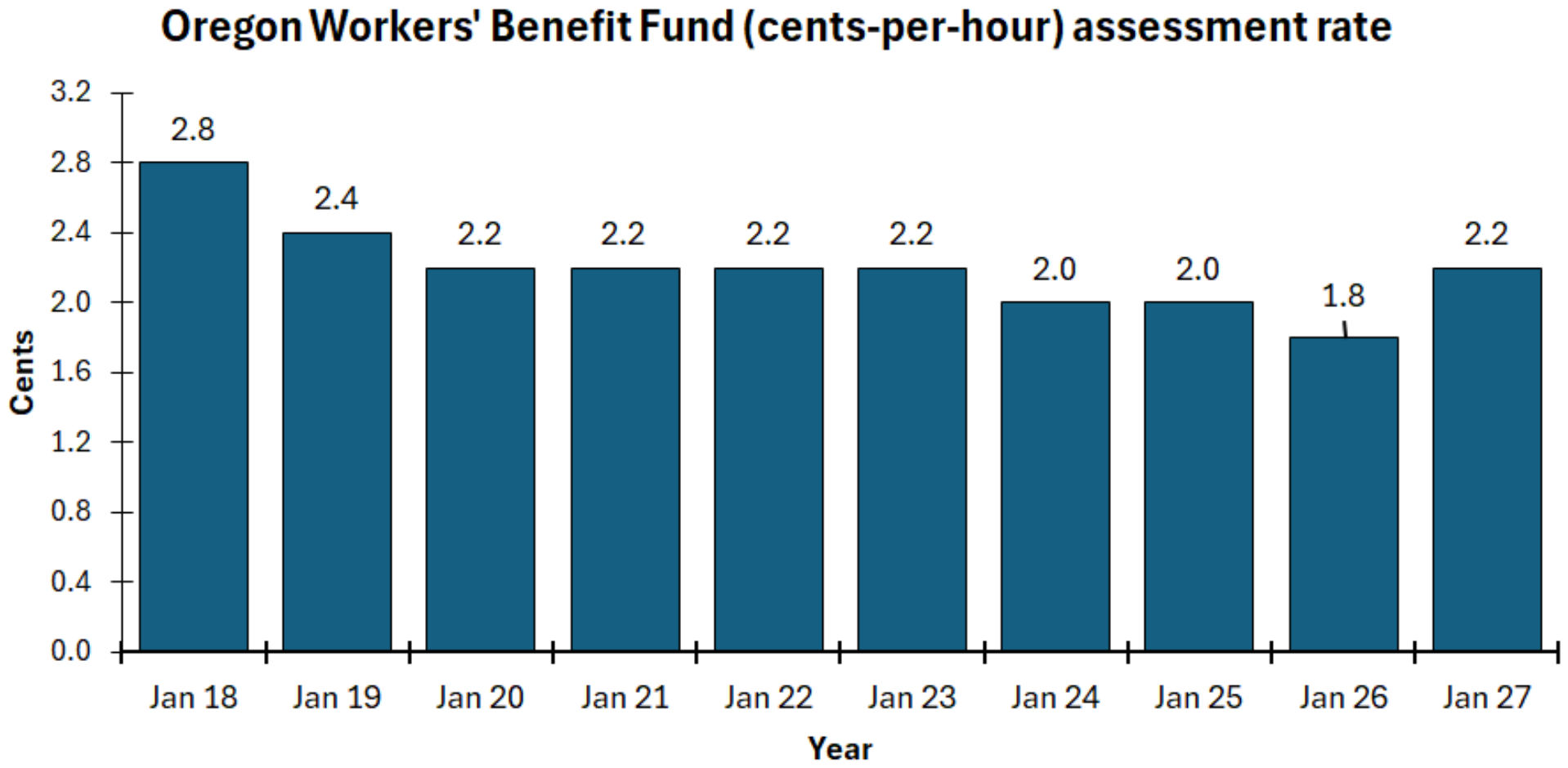
2027 WBF assessment will increase to 2.2 cents per hour worked









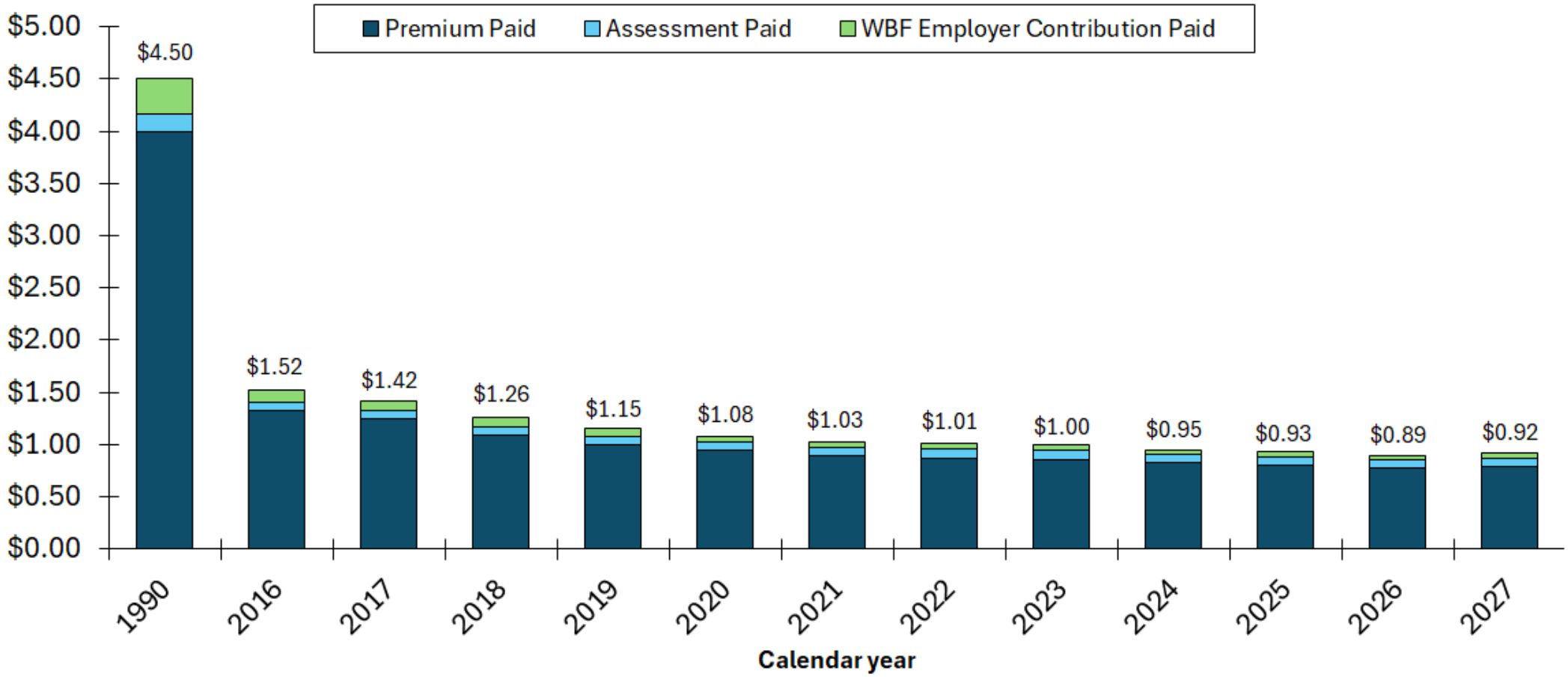


**This graph shows the hourly assessment will increase to 2.2 cents in 2027. Employers must pay at least half of this cost.*

Workers’ compensation rates

- Employers will pay on average 92 cents per $100 payroll in 2027
- Up from 89 cents in 2026

Total loaded pure premium, premium assessment, and WBF assessment paid per $100 of payroll



Total employer costs per $100 payroll for loaded pure premium, premium assessment, and Workers' Benefit Fund cents-per-hour assessment. Loaded pure premium includes insurer costs, known as expense loading factors. Historical figures are adjusted to reflect the 2026 mix of employment and payroll.

HB 4027 (2026) BOLI Expenses Fund

- HB 4027 created the BOLI Expenses Fund (BEF)
- DCBS is collecting that component to help fund BOLI
- In 2027, DCBS will collect 0.2 cents per hour worked for the fund
- The total assessment (WBF/BEF) rate for 2027 is 2.4 cents per hour
  - Employers must pay at least 1.2 cents per hour

Questions?

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