



Meeting Minutes

Oregon Workers Compensation Rating System Review & Advisory Committee

Agenda Tracking No.: ORAC 08-2016

Prepared by: Michael Craddock

Date of Meeting: Tuesday, October 18, 2016

Minutes Release Date: November 16, 2016

Members:

Name	Representing	Voting? Y/N	Present? Y/N	Substitute
David Waki	Dept. of Consumer & Business Services, Labor & Industries	N	Y	
Ed McKenney	Gem Equipment	Y	Y	
DeAnne Hoyt	SAIF	Y	Y	
Emily Drew	Liberty Mutual Ins.	Y	Y	
Ralph E. Wyatt	Linn County	Y	Y	
Michael Menacho	Republic Indemnity Ins.	Y	Y	
Steve O'Connell	Travelers	Y	Y	
Sharon Thaler	AIG	Y	Y	

Others in Attendance:

Name	Representing
David Dahl	Dept. of Consumer & Business Services, Labor & Industries
Linda Repp	Dept. of Consumer & Business Services, Labor & Industries
Ying Liu	Dept. of Consumer & Business Services, Labor & Industries
Cara Filsinger	Dept. of Consumer & Business Services, Labor & Industries
Tim Hughes	National Council on Compensation Insurance
Jessica Epley	National Council on Compensation Insurance
Michael Craddock	National Council on Compensation Insurance
Clyde Rapozo, Jr.	Liberty Mutual
Michele Summerlin	SAIF
Brian Murphy	SAIF
Eric Williams	SAIF
John Taylor	Travelers

Agenda Items

Issue	Resolution
<p>2016 ORAC Meeting Dates</p> <p>The following meeting dates are proposed for 2017:</p> <ul style="list-style-type: none"> January 18, 2017 	<p>The 2017 meeting dates were approved as recommended.</p>



<ul style="list-style-type: none"> • April 18, 2017 • July 18, 2017 • October 17, 2017 	
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Issue	Resolution
<p>ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION</p> <p>NCCI staff presented this nationally proposed item filing for the Committee’s review and action. This item clarifies and enhances NCCI’s <i>Basic Manual</i> Rule 1—Classification Assignment and Rule 2—Premium Basis and Payroll Allocation.</p> <p>The following issues were discussed:</p> <p><u>Rule 1-B3—General Inclusions:</u></p> <p>The proposed revision adds stores operated by the employer for employee use as a general inclusion. A member asked whether stores that allow family members and friends to shop at the store would still be included under this rule. For example, Columbia Sportswear and Nike. Are there any usage parameters that would disqualify the store from being subject to the general inclusion? NCCI staff stated that it had no formal position and would defer to the carrier to determine to make its own decision.</p> <p><u>Rule 2-B-1-p—Expense reimbursements.</u> The proposed revision increases the flat per diem reimbursement to \$75. The national rule is similar to the current Oregon state special. As such, a member suggested that Oregon discontinue its state special. Members discussed and agreed that the Oregon state special is no longer necessary.</p> <p><u>Rule 1-D—Payroll Limitations.</u> The proposed rule addresses a weekly payroll limitation for partial weeks worked by covered LLC members, partners, and sole proprietors.</p> <p>A member stated that in Oregon an annual payroll value applies when determining premium for these covered owners, not a weekly minimum/maximum rate. The annual payroll value establishes a set weekly payroll value. The member stated that their company, SAIF, also uses the annual payroll value to establish a daily payroll value that applies when policy coverage for these individuals is less than or more than one year. The member asked if the rule proposal eliminates the application of a daily wage</p>	<p>After review and discussion, a motion was made, seconded and passed by unanimous vote, and it was RESOLVED, that B-1433 is recommended for adoption. The Oregon state special for flat per diem reimbursement should be discontinued with the adoption of the national wording.</p>



rate for these covered owners. NCCI responded that the carrier can continue to calculate the payroll limitation based on a daily amount. NCCI will consider providing a clarifying note that confirms a daily, rather than weekly, calculation can be used.	
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Time	Issue	Resolution
10:00 a.m.	<p>NCCI Action Plan for Reviewing</p> <ul style="list-style-type: none"> • Code 9180—Amusement Device Operation NOC—Not Traveling—& Drivers, and • Code 9016—Amusement Park or Exhibition Operation And Drivers <p>NCCI staff updated its action plan for reviewing Code 9180 and Code 9016. A review of these classifications was requested by ORAC during a prior meeting as it is believed the scope language of each code requires further clarity on the treatment of ancillary operations.</p> <p>NCCI staff advised that the initial research being conducted on these class codes will be completed in December 2016. NCCI will provide an update and/or filing with any recommended changes at the January 2017 ORAC meeting.</p>	No action taken at this meeting.

Time	Issue	Resolution
10:15 a.m.	<p>Oregon Small Employer Credit</p> <p>Discussion regarding the applicability and viability of the Oregon Small Employer Credit. At the present time, the credit is applied to policyholders in the assigned risk and is limited by time limits and premium. If the credit was discontinued, how much of an effect would be felt by the policyholders? One member suggested that a transitional phase-out may be a viable option.</p>	DCBS will continue to study the issue and the issue may be revisited at a future meeting.

Distribution: Committee Members