



Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Director's Office

350 Winter Street NE, Room 200

PO Box 14480

Salem, OR 97309-0405

Voice: 503-378-4100

Fax: 503-378-6444

www.dcbs.oregon.gov

Workers' Compensation Premium Assessment Rate

Testimony of DCBS Director Andrew Stolfi

**Exhibit
"3"**

September 17, 2020

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 (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 (representing costs of claims) is among the lowest in the nation and will decrease an average of 5.6 percent for employers in 2021. Maintaining a low-cost, stable workers' compensation system is a significant factor in attracting and retaining jobs in Oregon.

For 2021, our analysts recommend an increase in the premium assessment rate from 8.4 percent to 9.0 percent for all insurers, self-insured employers, and self-insured employer groups, with additional premium assessments to remain at 2020 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
- Minimize assessment volatility so that employers can rely on reasonably predictable costs

Written testimony will be accepted on this issue through 5 p.m. Thursday, Sept. 24, 2020, by the Director's Office of the Department of Consumer and Business Services, 350 Winter St. NE, P.O. Box 14480, Salem, OR 97309-0405.

More details about the 2021 assessment can be found in the staff recommendation memos, which will be entered into the record of this hearing. More details about workers' compensation costs in 2021 can be found on our website at <https://www.oregon.gov/dcbs/cost/Pages/index.aspx>.