

**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
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The proposed amendment to the rules was announced in the Secretary of State’s Oregon Bulletin dated September, 2020. On Sept. 17, 2020, a public rulemaking hearing was held as announced at 3 p.m. in Salem, Oregon. The public was invited to attend via video conference or by telephone. Fred Bruyns, from the Department of Consumer and Business Services, acted as hearing officer. The record will be held open for written comment through Sept. 24, 2020, 5 p.m.

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No public testimony given.....	NA

**TRANSCRIPT OF PROCEEDINGS**

Fred Bruyns:

Good afternoon and welcome. This is a public rulemaking hearing. My name is Fred Bruyns, and I’ll be the presiding officer for the hearing.

The time is now 3 p.m. on Thursday, Sept. 17, 2020. This virtual hearing is being conducted from the Labor & Industries Building, 350 Winter St. NE, in Salem, Oregon. We are making an audio recording of today’s hearing and will create 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, Premium Assessment.

The Department of Consumer and Business Services filed the notice of proposed rulemaking with the Secretary of State on Aug. 28, 2020, and mailed the notice to its postal and electronic mailing lists. The department announced the proposed premium assessment rates in a news release dated Sept. 9, 2020, and stamped in supporting testimony; that is:

**Exhibit 1:** Workers’ Compensation Premium Assessment Rate Recommendation for CY 2021; and

**Exhibit 2:** Assessment rate recommendations for CY 2021 for the Self-Insured Employment 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 the testimony are available on the department's website. The department also notified Oregon legislators as required by ORS chapter 183 and posted public notice of its rulemaking to its website. The Oregon Secretary of State published the hearing notice in its *Oregon Bulletin* dated September 2020.

This hearing gives the public the opportunity to provide comment about the proposed rules. In addition, the department will accept written comment through and including Sept. 24, 2020, 5 p.m., 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, which is the majority of a memo dated today, Sept. 17:

In quotes:

"The workers' compensation premium assessment pays for the 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”

Close quote. That's the end of the director's testimony.

Again, that testimony is posted to the department's website, and that testimony will be posted under “Exhibit 3.”

We are ready to receive public testimony. I have already recorded – no actually I haven't recorded any names so far, so if you are on the telephone with us or if you are connected by computer and you would like to testify today, please let me know and I'll record your name for the roster, and go ahead. Anyone?

Hearing no one, we will remain on this connection and available for testimony should someone join us before 4 p.m. I will recess the hearing in a moment, but you are welcome to stay, and if someone arrives before 4 p.m., we will take their testimony and make it a part of the record.

As a reminder, you may provide written testimony. The closing date for written testimony is Sept. 24, 2020, at 5 p.m.

This hearing is recessed at 3:06 p.m.

Okay, this hearing is resumed at 4 p.m.

Is there anyone with us who would like to testify at this time?

Again, hearing no one, this hearing is adjourned at 4 p.m.

Thank you for coming. Good bye.

Transcribed from a digital audio recording by Fred Bruyns, Sept. 17, 2020.