



Workers' Compensation civil penalties

Showing types of penalties, steps, and dollar amounts

The attached chart lists civil penalties currently issued for workers' compensation law violations subject to ORS 656.745.

A civil penalty is one tool an agency can use to influence industry compliance with laws and rules. Other tools include auditing and education, which are complementary and generally preliminary to penalties.

All civil penalties listed are subject to the caps of \$2,000 per violation and \$10,000 in a three-month period. Within these caps, the division has internal guidelines that stair-step penalties in amounts intended to promote compliance, starting with relatively small penalties and increasing the dollar amounts as noncompliance continues. For many areas, parties are afforded multiple opportunities to comply before the maximum single violation penalty is issued. It is unusual for a penalty for an individual violation to start at the highest level.

Claim processing audit penalties against insurers and self-insured employers for failure to meet performance thresholds apply only to violations that exceed the accuracy and timeliness thresholds of 80 or 90 percent, depending on the category audited. For example, if an insurer pays 80 percent of time loss payments on time, the division does not issue a civil penalty, but if fewer than 80 percent of payments are timely, the division assesses a penalty of \$500 plus \$50 for each violation below the threshold. Claims processing performance levels have remained rather static and below expectations in several areas.



Civil penalty type	Civil penalty amounts per violation*				
	#1	#2	#3	#4	#5
Discovery (failure to provide) OAR 436-060-0017					
1 - 7 days late	\$0	\$100	\$250	\$500	\$1,000
8 - 14 days late	\$100	\$250	\$500	\$1,000	\$1,000
15 - 21 days late	\$250	\$500	\$1,000	\$1,000	\$1,000
22+ days late	\$500	\$1,000	\$1,000	\$1,000	\$1,000
Insurer premium assessments - nonpayment	\$350	\$700	\$1,000	\$2,000	
Self-insured premium assessments - nonpayment	\$350	\$700	\$1,000	\$2,000	
Nonresponse to division information request	\$500	\$1,000	\$1,500	\$2,000	
Nonresponse to request to acknowledge claim	\$500	\$1,000	\$1,500		
Nonresponse to order to report coverage	\$250	\$500			
Late response to division information request	\$500				
Failure to timely report insurance coverage	\$100 per late filing after 10% late				
Failure to timely report end of insurance coverage	\$100 per late filing after 10% late				

*Once a penalty reaches its maximum amount per violation, subsequent penalty amounts are at the maximum.



Civil penalties after audit	Amounts
Annual Audit	
<i>Accurate payments</i> ¹	
Worker Reimbursements	\$650
<i>Timely payments</i> ¹	
First time loss payment	\$650
Time loss payments (not 1st pay)	\$650
Worker reimbursements	\$650
Permanent total disability payments	\$650
Fatal benefits payments	\$650
<i>Timely and accurate processing</i> ¹	
Accept/deny timeliness (initial/aggravation)	\$650
Notice of closure timely	\$650
Claim reporting timeliness	\$250
<i>Accurate reporting to WCD</i> ²	
First time loss payment timeliness	\$500 + \$50 for each violation below 80%
Accept/deny timeliness	\$250
Form 1503	\$250
Temporary Disability Accuracy Audit	
<i>Accurate payments and periods</i> ¹	
Time loss payments	\$650 + \$25 for each violation below 90%
Unpaid periods of time loss	\$650 + \$25 for each violation below 90%

¹ Penalty issued only if overall performance is below 90% accurate or timely

² Penalty issued only if overall performance is below 80% accurate or timely