Testimony in Opposition to SB 801 -1
Senate Labor and Business Committee
Presented by: Hasina Wittenberg, Government Affairs Director, SDAO
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The Special Districts Association of Oregon, through its non-profit Trust (Special Districts Insurance Services-SDIS) has the largest self-insured workers compensation group in Oregon representing 551 special service districts. Special districts are local governments who provide a broad array of services such as fire protection, drinking water, sanitary sewer, transportation, libraries, and parks and recreation.

SDIS formed its self-insured group in 1988 primarily to assist our rural fire protection members with finding workers compensation coverage for their volunteer firefighters who were having difficulties obtaining the coverage from SAIF. Still today, SDIS provides workers compensation coverage to the majority of Oregon's volunteer firefighters and large proportion of paid firefighters.

The 200 fire districts that participate in our self-insured group have been hit especially hard during this COVID-19 pandemic. To support our fire district employees and volunteers we immediately decided to accept nearly any COVID-19 claim submitted by our first responders.

We also have an EAP program specifically tailored for first responders and it is available to our members free of charge. Every paid firefighter in Oregon within our program deserves this type of assistance to help deal with the stress of the COVID pandemic and we are happy to provide it.

We have had 66 COVID-19 claims presented to date. Of those, 65 were accepted and only one was denied because the worker did not have a position that interacted with the public and his attending physician agreed that the cause was not work related.

Recently a study was conducted for MLAC by DCBS on the acceptance of COVID-19 claims. The report concluded that "SDIS accepted claims more often than any other respondent, and a higher percentage of its accepted claims were disabling than any other respondent except for SAIF." SDIS accepted 96% of its claims compared to 88% from SAIF.

As a self-insured group SDIS is subject to extensive claims audits by the Workers' Compensation Division (WCD).   On average SDIS adjusts between 400 to 500 claims per year. The following are the results of our claims audits going back to 2010:
- Annual Reserve Audits – average score >90%
- Annual Workers' Compensation Audits – average score >90%
- Quarterly Compliance Audits – average score >90%
- Focus Audits as determined by WCD – last focus audit was in 2016 for PTD and fatality claims – score 100%

In addition to these required WCD audits, the SDIS Board of Trustees conducts an independent claim audit every three years. The independent evaluation conducted in 2018 indicated "In addition to achieving the overall superior score (97%), thirteen of the fourteen individual components we assessed scored superior."

SDIS is not always the most inexpensive option for our special district members, but we have nearly a 100% year-after-year retention because of our customer service philosophy. Our members are owners of the program and they expect their employees and volunteers to be treated with respect and professionalism. We only hire senior claims adjusters that have a lower-case load than is average in industry standards. Our members are assigned an adjuster, so they always have a primary contact. Our most senior claims adjuster has been serving special districts for almost 25 years.

The -1 amendments proposed to SB 801 that would require our claims to be administered by SAIF, our primary competitor, would be devastating to our members and the existence of our self-insured group. Our members rightfully expect a higher level of customer service and claims support than SAIF is able to provide. We have proven through our audits and actions that SDIS serves the best interests our members and most importantly their employees and volunteers.

Thank you for the opportunity to testify in opposition to SB 801 -1. I would be happy to answer any questions the committee has.