



AOL Services, Inc.

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February 14, 2023

The Honorable Kathleen Taylor, Chair
Senate Committee on Labor and Business
Oregon State Capitol
Salem, OR 97301

Subject: SB 592 and the -1 Amendment – **OPPOSE**

Chair Tylor, Vice Chair Bonham and Committee Members:

AOL Services, Inc. (AOLS) is a single line insurance agency specializing in workers' compensation insurance for Oregon forest operator and associated companies. AOLS operates the workers' compensation group insurance program in partnership with SAIF for member employers of Associated Oregon Loggers, Inc. (AOL), Oregon's forest operator trade association.

Our AOLS agents are safety management consultants (SMCs), who provide professional safety services to forest contractors whether or not, we are their agent of record. These critical team members educate employers and employees on practices that help avoid accidents. Our SMCs, and the many other safety professionals in the state, recognize that an ounce of prevention is worth a pound of cure.

According to SAIF, this principle in-practice has led to a 52% reduction in the total number of workers' compensation claims in Oregon since 1986, despite a workforce that has grown by 79%. In 1986, Oregon was the sixth *highest* in the nation for loss experience and workers' compensation rates. By 2022, Oregon's SAIF workers' compensation program has achieved the tenth *lowest* rate. Disabling claims have dropped by over 50% and the fatality rate has plummeted by 70%.

Since 1991, the SAIF partnership with Associated Oregon Loggers has resulted in EVERY worker's compensation class code we serve realizing at least a two-thirds reduction in premium. This significant drop has been accomplished through effective programs of preventative and proactive safety education and safety services to employers. As the profession of logging and other forest operations has gotten safer through employer and insurer efforts, it has become significantly less hazardous for workers and more rewarding for employers to provide safe work practices. This is a GOOD thing!

Unfortunately, as safety professionals, we believe SB 592 and the -1 amendment misses the mark. While we appreciate the outward concern for workplace safety – the bill's proposed post-violation and post-accident inspections, increased civil penalties and necessary reporting that may lead to citation and inspection quotas – the bill would have marginal or counter-productive effects that would actually discourage employer investment in safety measures on forestry jobsites.

The bill would perversely pit OR-OSHA against employers, rather than employing the Oregon Way of cooperation and coordination in the pursuit of safer and better outcomes.

We are also concerned with SB 592 and the -1 amendment because the punitive measures would impact employers most directly when an employee makes a bad decision, no matter how well the

employee had been trained, supervised, or prepared for the job and safety measures to protect them. As we see it, this bill would punish the employer for employee mis-performance; and the bill proposal would offer no practical solution to handle this situation.

Additionally, the bill would perversely punish and discriminate against small businesses like those AOL and AOLS serve. The one-size-fits-all approach to inspections and penalties has the potential to destroy small and family-owned businesses, small enterprises that may not have the means to employ exemplary legal counsel, or absorb the high penalty exposure as would a larger business.

Furthermore, we anticipate the bill's proposed efforts would substitute counter-productive penalty measures for the OR-OSHA staff's current important focus and resources to achieve other more meaningful prevention and education safety objectives.

We have confidence that educational opportunities for the most up-to-date safety information and practices, technical assistance in navigating the complicated regulatory field, incentives for exemplary safety cultures and records and grants for investments in safer machines, equipment and safety materials can have a more consequential impact in creating safer work, healthy worksites, and preventative employer cultures.

Now, don't get us wrong, Associated Oregon Loggers and our Services subsidiary are committed to increasing safe performance of our member employers and employee safety. Safety is at our core. We cannot complete our work without safe and healthy employees, and caring for them like family is the rule, not the exception.

To that end, we want to retain the solid safety foundation we have built in Oregon for forest operators in partnership with SAIF. We understand that SB 592 and the -1 amendment is, at present, not hitting the mark. **At this time, we cannot support SB 592 nor the -1 amendment.**

Thank you for your consideration. We are happy to discuss further how to improve safe work in Oregon. So, please feel free to reach out to our staff or our contract lobbyist for collaboration.

Graciously,



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