

February 27, 2024

To: Chair Kropf and Members of the House Judiciary Committee
From: Ivo Trummer, Government Affairs Director, SAIF Corporation
Re: Support for SB 1580A

Background:

Oregon's workers' comp system is predicated on a balanced and fair system, where both employers and workers follow the rules. While fraud is a very rare occurrence, there is an imbalance in the workers' compensation system. Workers can be criminally prosecuted for knowingly and intentionally committing workers' compensation fraud. However, current statute is unclear regarding whether an employer can be criminally prosecuted for insurance fraud if an employer knowingly submits a false payroll report with the intent to decrease their insurance premiums. Again, while this type of fraud is extremely rare, we believe that ensuring a way to hold bad actors accountable is in the best interest of all of our employers/policyholders who could end up at a competitive disadvantage with bad actors who fraudulently lower their costs AND the vast majority of policyholders who follow the rules end up shouldering some of the costs of claims that were not accurately insured.

Currently, ORS 656.990 states that an employer commits a Class A misdemeanor if they knowingly make a false statement or representation for the purpose of obtaining any benefit or payment, knowingly submits a false payroll report, or knowingly misrepresents the amount of payroll. Under the existing language, it is unclear whether this applies to all employers and whether an employer can be prosecuted if the benefit is a reduced premium assessment.

Solution:

SB 1580A clarifies current law by stating it is a Class A misdemeanor if an employer knowingly submits a false payroll report with the intent to decrease the employer's premium. SB 1580A maintains the current Class A misdemeanor liability and ensures the liability applies to all employers.

About SAIF:

SAIF is Oregon's not-for-profit workers' compensation insurance company. For more than 100 years, we've been taking care of injured workers, helping people get back to work, and striving to make Oregon the safest and healthiest place to work. For more information, visit the [About SAIF](#) page on saif.com.

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