

SB 904 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Whitney Perez, LPRO Analyst

Meeting Dates: 3/11, 3/20

WHAT THE MEASURE DOES:

Adds school districts to the list of self-insured employers who may apply for exemption from the rule requiring self-insured employers to establish proof of financial ability with the Director of the Department of Consumer and Business Services. The measure makes technical and conforming amendments.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Management-Labor Advisory Committee process
- Potential cost-savings to self-insured school districts
- Current self-insured employers who may apply for exemption

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Workers' compensation insurance pays for workers' medical treatment and lost wages on accepted claims when workers suffer work-related injuries or illnesses. Oregon employers that have one or more workers, must carry workers' compensation insurance or be self-insured. The Workers' Compensation Division (division) administers and regulates the laws and rules surrounding workers' compensation in Oregon. The division is a part of the Department of Consumer and Business Services (DCBS). The Workers' Compensation Board is composed of five members and is charged with resolving workers' compensation disputes.

A self-insured employer is when an employer or group of employers assume the financial risk of providing workers' compensation benefits to their employees. In Oregon, an employer that elects to be self-insured must apply with DCBS and be certified by the Director of DCBS. To qualify, certain criteria must be met, such as providing assurance that claims will be processed promptly. Additionally, a self-insured employer must establish proof of financial ability by demonstrating acceptable financial viability and providing security. Under existing law, a city, county, or qualified self-insured employer group may apply for exemption from the rule requiring self-insured employers demonstrate proof of financial ability.

Senate Bill 904 adds school districts to the list of self-insured employers who may apply for exemption from the rule requiring self-insured employers to establish proof of financial ability with the Director of the Department of Consumer and Business Services.