

Date: March 5, 2025
To: Chair Prozanski and Members of the Senate Committee on Judiciary
From: Ivo Trummer, Government Relations Director, ivotru@saif.com
Elaine Schooler, Assistant General Counsel, elasch@saif.com
Re: **SAIF opposes inclusion of Workers' Compensation Insurance in SB 174**

SAIF is Oregon's not-for-profit workers' compensation insurance company and the leading workers' compensation insurance carrier in Oregon. Since 1914, we've been taking care of injured workers and helping them get back to work. Through our partnership with Oregon employers, we've worked to advance workplace safety in Oregon, reducing the total number of injuries and keeping premium costs low. We're proud to be the workers' compensation provider of choice for the majority of Oregon employers, from thousands of small businesses to some of the state's economic leaders; as well as insuring over 1,200 public entities: state agencies, public universities, cities, counties, special districts, and school districts throughout the entire state. Covering more than half a million local workers each day, SAIF is committed to helping Oregon work better, smarter, and safer; and we will continue to work towards a balanced and fair workers' compensation system in Oregon that is widely accessible, helps injured workers recover and return to work, and remains affordable for policyholders.

As proposed, SB 174 would add certain violations of enumerated Insurance Code provisions to the Unlawful Trade Practices Act (UTPA), permitting a person to pursue equitable relief and monetary damages. While ORS chapter 746 applies to insurers generally, only one of the provisions listed in SB 174, ORS 746.230, applies to Workers' Compensation Insurance. The remaining provisions in SB 174 would add to the UTPA relate to other consumer lines. See ORS 746.650, ORS 746.663, ORS 746.686, or ORS 746.687.

The Oregon Workers' Compensation Act, as it exists today, creates an independent and self-contained insurance system with rights and remedies arising from an insurer's failure to process claims, settle claims, or afford notice to injured workers as required by law. For example, an insurer is subject to penalties for unreasonably delaying or refusing benefits, or for unreasonably delaying the decision on a claim. ORS 656.262(11)(a). Settlements must be approved by the Workers Compensation Board, who evaluates the settlement's reasonableness, prior to becoming effective. OAR Chapter 438, Division 009 - Compromise and Settlement. For employers, the Oregon Workers' Compensation Rating System Review and Advisory Committee provides a forum for employers to be heard regarding application of a rating system. OAR 836-043-0200 to 836-043-0240. Further, employers who dispute a premium audit on their policy are entitled to request a hearing. OAR 836-043-0170.

It is unclear how the proposed additions of SB 174 would interact with existing Oregon Workers' Compensation enforcement actions and remedies. Further, the interplay between SB 174 and the Exclusive Remedy principle of the Oregon Workers' Compensation Act is equally unclear. See ORS 656.018.

For these reasons, SAIF opposes the inclusion of workers' compensation insurance in SB 174 and respectfully requests the Chair and committee members consider an exemption to SB 174 for Workers' Compensation Insurance.