

Date: June 23, 2025
To: **Chair Bowman and Members of the House Committee on Rules**
From: Ivo Trummer, Government Relations Director, ivotru@saif.com
Elaine Schooler, Assistant General Counsel, elasch@saif.com
Re: **SAIF opposes SB 174 A absent a specific exclusion for Workers' Compensation Insurance**

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 A 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 A, ORS 746.230, applies to Workers' Compensation Insurance. The remaining provisions in SB 174 A 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 A would interact with existing Oregon workers' compensation enforcement actions and remedies. Further, the interplay between SB 174 A and the *Exclusive Remedy* principle of the Oregon Workers' Compensation Act is equally unclear. See ORS 656.018. The uncertainty of this interplay and the potential for costly civil litigation creates strong concern because workers' compensation insurance was specifically created to ensure certainty for injured workers with a no-fault system for receiving benefits in exchange for protecting employers from costly civil litigation by providing the exclusive remedy defense to attempts at civil litigation outside of the workers' compensation system. Financial penalties and attorney fees for unreasonable claims processing already exist within the workers' compensation system.

SAIF appreciates the proponents position that SB 174 A does not include workers' compensation; however, prior bills that sought the same change such as [HB 3242](#) in 2023 included a specific exclusion for workers' compensation. The proponents' interpretation of SB174 A is contrary to prior bills that specifically excluded workers' compensation. Additionally, the exclusion of workers' compensation from prior bills highlights the confusion and concern as to what impact SB174 A could have on workers' compensation insurers and employers. Absent a specific exclusion, SAIF remains concerned that when a claim is pursued under SB174 A that also falls under workers' compensation, it will be up to the courts to decide the meaning of the statute and the interplay with the exclusive remedy. Whether the courts even need legislative intent to determine how SB174 A should be applied remains to be seen. If the court determines that they can interpret the statute based on the plain language there is a risk that the court may apply the change to workers' compensation insurers and employers. Based on this concern as well as past bills such as HB3242 that specifically excluded workers compensation and the written comments provided by the proponents of the bill, there is consensus that workers compensation should not be included. **Thus, SAIF respectfully requests that the committee include a specific exclusion for workers compensation insurance in SB 174 A.**