



Protect Oregon's Workers' Compensation System:

Oppose SB 174A

SB 174A changes the Unfair Trades Practices Act (UTPA) so that workers' compensation insurance is included. This has the effect of eliminating the exclusive remedy provision of ORS 656.018 that is a key tenant of Oregon's Workers' Compensation laws. The bill also allows for claims against employees of insurance companies, which makes it harder for workers' compensation insurance companies to keep employees and maintain their service levels that help the system run smoothly.

Mahonia Hall reforms: Before 1990, Oregon's workers' compensation system was a mess, with high premiums for employers and low benefits for workers. The Mahonia Hall reforms reworked the system so that it benefited both the workers and employers. Exclusive remedy existed before these reforms, but is critical to keep the balance to the system. As a result of the Mahonia Hall reforms, Oregon's workers' compensation system went from one of the worst in the country to one of the best, and continued exclusive remedy has been an important part of that equation.

Exclusive Remedy: Under ORS 656.018, the workers' compensation system is the sole remedy for an employee injured on the job. The intention is to keep claims within the workers' compensation system and ensure that workers are made whole through that system. Oregon's system is a no-fault system: it doesn't matter who is to blame for the injury – the worker is covered by the employer's insurance and the insurance company pays.

The goal of SB 174A by the proponents is to allow for first and third party insurance lawsuits therefore allowing an end-run around exclusive remedy. By allowing individuals to bring suit on workers' compensation claims, our successful workers compensation system of today could be thrust back into a broken system from the 1980s.

Why now? In past iterations of this bill, workers' compensation insurance was exempted from the legislation, to avoid this issue with the workers' compensation exclusive remedy. This session, workers' compensation was kept in.

Our coalition urges a NO vote on SB 174A.