

REVENUE: No revenue impact

FISCAL: No fiscal impact

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Action: Do Pass  
Vote: 5 - 0 - 0  
Yeas: Avakian, Beyer, Gordly, Monroe, Prozanski  
Nays: 0  
Exc.: 0  
Prepared By: Anna Braun, Administrator  
Meeting Dates: 5/7

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**WHAT THE MEASURE DOES:** Allows the Director of the Department of Consumer and Business Services to impose a surcharge on assigned risk pool participants.

**ISSUES DISCUSSED:**

- Other pricing mechanisms available
- Impact to small and emerging businesses

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Oregon Workers' Compensation Insurance Plan, often called the assigned risk plan, provides coverage to employers who are otherwise eligible for workers' compensation insurance but who cannot obtain it in the voluntary insurance market.

In years when assigned risk plan expenses and losses exceed the amount of premium collected, the plan losses are spread among all voluntary market insurers. Statute requires all workers' compensation insurers to accept their equitable portion of assigned risk plan costs based on each insurer's share of the workers' compensation insurance market. These insurers pass along this cost to their covered employers through the ratemaking process. The law currently prohibits the director from charging any of the plan losses directly to assigned risk plan employers (called a "surcharge" in the law).

HB 2250 does not require a surcharge to be levied, but would allow the director the option to charge assigned risk plan participants for losses if other pricing mechanisms do not address plan shortfalls.