

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass

Vote: 10 - 0 - 0

Yeas: Barton, Cameron, Edwards C., Esquivel, Holvey, Kennemer, Matthews, Thatcher, Witt,
Schaufler

Nays: 0

Exc.: 0

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 2/25

WHAT THE MEASURE DOES: Authorizes the State Accident Insurance Fund Corporation (SAIF) to accept letter of credit or similar instrument to secure payment of premiums.

ISSUES DISCUSSED:

- Provisions of the measure
- Level of support from state agencies and private workers' compensation insurers

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 656.552, enacted in 1933, outlines the methods SAIF can use in securing premium payments from employers. Oregon law allows insurance companies to accept a letter of credit as an alternative to a premium or a deposit in bond. However, SAIF does not have clear statutory authority to accept letters of credit, which is regularly accepted by private insurance companies for collecting premium payments.

HB 2634 expands the types of payment that SAIF can accept to include a letter of credit or similar instrument.