

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Baertschiger, George, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	0
Prepared By:	Channa Newell, Administrator
Meeting Dates:	3/6, 3/27

WHAT THE MEASURE DOES: Allows qualified self-insured employer group to apply for exemption to requirement that self-insured employers provide Department of Consumer and Business Services security deposit for payment of compensation for injuries to workers. Defines qualified self-insured employer group as a self-insured employer group that is a municipal corporation or a public corporation.

ISSUES DISCUSSED:

- 223 Oregon cities and counties participate in self-insured workers' compensation group
- Current worker's compensation security deposit exemption for self-insured cities and counties
- Groups composed of cities and counties do not have opportunity to apply for security deposit exemption
- Dedicated "loss reserve" accounts
- Approval from Management-Labor Advisory Committee

EFFECT OF COMMITTEE AMENDMENT: Clarifies that exemption applies to qualified self-insured employer group. Defines 'qualified self-insured employer group' as a self-insured employer group that is a municipal corporation or a public corporation, as defined by ORS 297.405.

BACKGROUND: Oregon law requires self-insured cities and counties to provide the Department of Consumer and Business Services (DCBS) with a security requirement that demonstrate the city or county's ability to meet its financial obligations to injured workers in lieu of purchasing workers' compensation insurance. The financial security required is often a letter of credit or a surety bond. An exemption exists to this security requirement if the city or county demonstrates to DCBS that it maintains an adequate loss reserve account to meet its financial obligations. Five self-insured cities and five self-insured counties currently maintain this exemption.

Senate Bill 96-A expands the groups allowed to apply for this exemption to include self-insured employer groups who are municipal corporations or public corporations.