

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 7 - 1 - 2

Yeas: Barton, Fagan, Holvey, Kennemer, Thompson, Weidner, Doherty

Nays: Witt

Exc.: Matthews, Thatcher

Prepared By: Jan Nordlund, Administrator

Meeting Dates: 5/1, 5/29

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:

- Existing exemption for individual self-insured cities or counties but not for self-insured employer groups
- Proof of adequate “loss reserve account” in lieu of security requirements
- Savings to the 224 members of Citycounty Insurance Services
- Whether private self-insured employer groups can apply for exemption from security requirements

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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

Citycounty Insurance Services (CIS) is a member-owned and governed public corporation that is a self-insured employer group with 224 members that are cities, counties, or public bodies. Under existing law, CIS is not eligible to apply for an exemption from the security requirements.

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