

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 0 - 0
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/11

WHAT THE MEASURE DOES: Authorizes Director of Department of Consumer and Business Services to pay compensation due to workers of members of certain decertified self-insured employer groups and to set standards, by rule, for proof of financial viability of self-insured employer and for insurance coverage retention and combined net worth of members of self-insured employer group. Prohibits certain group members and board members of groups from serving as the group administrator. Authorizes the Director to revoke certification of self-insured employer in default and for violation of rules. Authorizes the Director to take certain actions when a self-insured employer group is in default, is decertified, or cancels its certification. Modifies requirements for ending cash balance in the Workers' Benefit Fund. Requires each self-insured employer group to conduct a vote on the continuation of the group and to report the results of the vote to the Director by April 15, 2014. Instructs the Worker's Compensation Management-Labor Advisory Committee to conduct a study about modification of the ending balance requirement and report results to the Legislative Assembly. Designates effective date of April 1, 2014.

ISSUES DISCUSSED:

- Review of proposed amendments by Workers' Compensation Management-Labor Advisory Committee
- Administrative costs associated with closing down self-insured employer groups
- Process for decertification of self-insured employer groups

EFFECT OF COMMITTEE AMENDMENT: Delays date of group decertification to September 14, 2014. Modifies requirement for information to be provided to group members to be a notice prescribed by the Director by rule. Allows public groups to use existing process for membership renewal and financial reporting. Changes measure effective date to April 1, 2014.

BACKGROUND: Most employers in Oregon are required to provide assurance that their workers will receive compensation for on-the-job injuries. They can do this either by buying coverage through an insurer (carrier-provided) or they can self-insure, either individually or through a self-insured group. Those that self-insure must post financial security sufficient to ensure payment of benefits with the Department of Consumer and Business Services. Group self-insurance provides that if a member employer is unable to pay for claims for its workers, the other members of the group will do so. Oregon currently has five self-insured groups, covering a total of 987 employers; two of these groups are comprised solely of public entities.