

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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Action: Do Pass  
Vote: 10 - 1 - 0  
Yeas: Fagan, Freeman, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty  
Nays: Barton  
Exc.: 0  
Prepared By: Jan Nordlund, Administrator  
Meeting Dates: 2/21

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**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 July 1, 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:**

- Provide for orderly exit from self-insured group
- Raise standards for those groups voting affirmatively to continue existing
- Stakeholders consulted as Department developed proposal

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

**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.