

**HB 2186 STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 2/6

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**WHAT THE MEASURE DOES:**

Allows Director of Department of Consumer and Business Services to certify self-insured employer group created by intergovernmental agreement as a self-insured employer for purposes of workers' compensation insurance.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Most employers in Oregon are obligated to provide workers' compensation coverage to their employees. An employer can choose to purchase private insurance or be self-insured as an individual or with a group of other employers. In Oregon, an employer or group of employers that wants to be self-insured must apply with the Department of Consumer and Business Services and be certified by the director. To qualify for self-insurance, certain criteria must be met, including providing assurance that claims will be processed promptly and completely. In 1985 the Special Districts Association of Oregon created the Special Districts Insurance Service Trust (SDIS) through an intergovernmental agreement among its participating members in order to self-insure for liability, property, and workers' compensation coverage. It is considered a self-insurance program established by three or more public bodies in accordance with ORS 30.282. In 1988, the Association was certified by the Director as a self-insured workers' compensation group. Because the SDIS Trust and the Association shared the same federal tax number, the Department changed the name of the SDIS Trust to SDAO within their internal systems.

It has recently been determined that the SDIS Trust needs an independent federal tax number, but the Department would not allow the name change of the SDIS Trust without recertification and evidence that the group is an intergovernmental entity established in accordance with ORS 190.003 to 190.130. House Bill 2186 resolves the situation by allowing the Director to certify a self-insured group if the group is an intergovernmental entity established under ORS 30.282.