



To: Chair Holvey & Members of the House Committee on Business and Labor

From: Bill Cross & Nellie deVries, Oregon Self-Insurers Association

Date: February 6, 2017

Re: Support HB 2338

The Oregon Self-Insurers Association (OSIA) is a non-profit, trade association comprised of certified self-insured and large-deductible employers as well as firms and organizations in business to provide services to the self-insured community.

OSIA **supports** HB 2338 which creates a single standard for fatality benefits. The bill defines one monthly benefit rate for children of deceased worker and uniform duration of benefits for children under 19 years of age. HB 2338 specifies a benefit for a period of not more than 48 months for children and dependents of deceased worker who are between 19 and 26 years of age at worker's death or will attain age of 19 years after worker's death and who are completing high school, obtaining general educational development certificate or attending program of higher education. The bill also provides that if worker dies during period of permanent total disability, benefits are payable to worker's dependents.

Currently, ORS §656.204 provides the following benefits:

- The surviving spouse receives 4.35 times 66-2/3 percent of the state average weekly wage (SAWW) until remarriage.
- Each child of the deceased worker who is dependent on the worker's surviving spouse receives 4.35 times 10 percent of the SAWW until the age of 18, or until the age of 23 while attending secondary education.
- Each child of the deceased worker who is not dependent on the worker's surviving spouse receives 4.35 times 25 percent of the SAWW until the age of 18, or until the age of 23 while attending secondary education
- When there is no surviving spouse, each child of the deceased worker receives 4.35 times 25 percent of the SAWW until the age of 18, or until the age of 23 while attending secondary education
- Each child or dependent of the deceased worker who does not have a surviving parent at the time of the worker's death receives 4.35 times 66-2/3 percent of the SAWW between the ages of 18 and 23 while attending secondary education

- Currently, the total monthly benefit awarded to the surviving spouse and/or children is capped at 4.35 times 133-1/3 percent of the SAWW.¹

HB 2338 creates a more uniform standard for fatality benefits. The change are outlined below:

- Creates a uniform monthly benefit rate of 4.35 times 25 percent of the SAWW for each dependent child, excluding orphaned children attending secondary education who receive monthly benefits at a rate of 4.35 times 25 percent of the SAWW.
- Restructures the existing cap on total monthly benefits, such that the cap of 4.35 times 133-1/3 percent of the SAWW applies to total dependent child benefits, excluding orphaned children attending secondary education. The monthly cap would not include surviving spousal benefits.
- Creates a uniform duration of benefits for children under age 19. Currently, the duration of benefits varies for children between the ages of 18 and 19 based on the child's age when they leave high school.
- Broadens the eligibility requirement for dependent children completing secondary education. Currently, dependent children ages 19 to 23 are eligible for benefits, conditional on beginning secondary education within six months of leaving high school. Under HB 2338, dependent children ages 19 to 26 would be eligible for benefits for up to 48 months, without the stipulation that they must begin secondary education within six months of leaving high school.²

OSIA respectfully requests your **support** of HB 2338 to create a more uniform standard for fatality benefits in Oregon.

¹ Analysis of Legislative Concept 698, 2016 National Council on Compensation Insurance (November 11, 2016).

² Id.