

March 21, 2020

Co-Chairs Roblan and Holvey:

First, I want to thank you both, along with the entire committee, for your leadership in tackling the state response to the pandemic.

These are extraordinarily difficult times for Oregon businesses and workers, and all of us at SAIF are committed to doing our share to provide relief to those hardest hit by the COVID-19 pandemic. Indeed, as an independent public corporation, SAIF has an important public mission, one that is aligned with the urgent needs of so many of our policyholders.

SAIF is unique. We are a not-for-profit insurance company. We compete directly with dozens of other insurers to provide workers' compensation policies to Oregon businesses, large and small. We do not receive any tax dollars. Our mission is to make insurance as affordable and available as possible, and to provide extraordinary service to employees and employers. Our vision is to make Oregon the safest and healthiest place to work. We work hard to further these goals, consistent with maintaining a sustainable business model capable of serving workers and employers for many decades to come.

We've been working on a variety of measures to help relieve financial pressure on those directly affected by this pandemic. We want these measures to be targeted to those hit the hardest, and we want them to be individually tailored to the unique situation faced by each business or injured worker.

We are moving quickly to put these measures in place. We are actively exploring the operational details and working with DCBS to address any potential regulatory issues. We do not believe we need legislation to move forward.

We are planning to use the following tools, individually or in combination, to provide financial relief to policyholders:

All policyholders:

- No workers' compensation premium will be charged on payroll paid to furloughed workers
- We will not cancel policies for financial reasons for 60 days

As appropriate for individual policyholders:

- Delay billing for a month or more to create "breathing space" for struggling businesses with immediate cash challenges
- Reduce current invoices to transfer payments later in the policy year to reduce pressure on current cash flow

- Release existing policyholder deposits to help pay premium due to keep the business current on its premium payments without having to pay in new funds
- No interest charged on outstanding amounts owed
- Recalculate estimated annual payroll to reduce premium payments to reflect anticipated business interruption

We know injured workers may have challenges getting medical care as providers shift their focus to fighting the pandemic; we plan to ease certain requirements as appropriate, including:

- When time loss payments are authorized, continue to pay benefits even when workers do not receive follow-up treatment within the 30-day requirement
- Continue time loss benefits when a worker fails to schedule or attend a closing exam
- Expand use of and payment for telemedicine
- Allow diagnostic tests for coronavirus without a required worker-specific prescription

We are also planning to create **a \$10 million COVID-19 worker safety grant fund.** These funds would go to SAIF policyholders impacted by the pandemic to help pay for such items as:

- Safety and personal protective equipment
- Worksite clean-up costs
- Worksite design and modification to ensure safe and healthy operation and social distancing
- Safety training
- Other expenses related to safely restarting business

The committee is reviewing a proposal that would mandate a 90 day “pause” on workers compensation payments for SAIF policyholders. We do not favor this approach and believe it would impede our use of the tools listed above. Our concerns with the proposal include:

- It does not target businesses most impacted by the pandemic.
- It is not tailored to the specific situation faced by an individual business (e.g., policy period expirations, previous overdue amounts, etc.). Policyholders and injured workers are all different, and a one-size-fits-all approach does not allow us to create individualized solutions.

- It will create severe cash flow issues for SAIF, creating challenges around service delivery.
- SAIF is not the only workers' compensation insurer. Mandates should apply to all carriers in the competitive market.

SAIF remains committed to help businesses and workers hard-hit by the current crisis. Indeed, our customer retention rate has been above 99% for many years due to our willingness to address the specific needs of policyholders and industries. We ask for the opportunity to address these needs using the tools currently at our disposal.

Sincerely,



Kerry Barnett  
President and Chief Executive Officer  
SAIF Corporation