

SB 801 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 3/23, 3/30

WHAT THE MEASURE DOES:

Directs Department of Consumer and Business Services to study issues relating to workers' compensation claims processing and report to appropriate committee or interim committee of Legislative Assembly on or before September 15, 2022. Sunsets January 2, 2023.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces the measure. Establishes that self-insured employers must use the State Accident Insurance Fund Corporation (SAIF) to process workers' compensation claims. Requires SAIF to process claims in the same manner as claims for which SAIF is the insurer. Clarifies that SAIF is not the insurer for self-insured employers and requires self-insured employers to pay compensation in accordance with terms of any decision rendered by SAIF. Authorizes SAIF to charge and receive from self-insured employer compensation for SAIF's expenses in providing claim processing services. Provides that certain timelines for processing claims begin when SAIF receives notice of the claim from the self-insured employer. Allows self-insured employer to seek compensation from SAIF if certain actions result in liability for the employer. Removes requirement that self-insured employer have adequate staff to process claims promptly. Requires SAIF to maintain complete records of claims referred by self-insured employer for processing. Takes effect on 91st day after *sine die*.

BACKGROUND:

Workers' compensation insurance provides medical treatment and lost wages to employees or their dependents in the case of employment-related accidents or illnesses. Oregon employers are required to carry workers' compensation insurance or be self-insured. An employer who wishes to self-insure must demonstrate to the Department of Consumer and Business Services that the employer has:

- adequate staff qualified to process workers' compensation claims promptly; and
- the financial ability to make certain the prompt payment of all compensation and other payments that may become due.

The State Accident Insurance Fund Corporation (SAIF) is a state-owned nonprofit workers' compensation insurance provider. SAIF is Oregon's largest workers' compensation insurer based on premium market share, serving over 50,000 employers.

Senate Bill 801 with the -1 amendments requires self-insured employers to use SAIF to process workers' compensation claims. The measure allows SAIF to charge those employers for claims processing services and allows those employers to seek compensation from SAIF for certain actions that result in liability for the employer.