

Oregon Workers' Compensation

Topic of Interest

Workers' Compensation Funds _____

The Consumer and Business Services Fund

The Oregon workers' compensation administration and programs are funded by insurer, employer, and worker assessments. The Consumer and Business Services Fund is one of two funds to which monies from the assessments are deposited. This fund is managed by the Treasury Department. The other fund is the Workers' Benefit Fund which is managed by DCBS.

Purpose

The Workers' Compensation Premium Assessment Operating Account of the Consumer and Business Services Fund covers:

- ◆ Operating expenses of the Workers' Compensation Division
- ◆ Operating expenses of the Workers' Compensation Board
- ◆ Workers' compensation related functions of the Director's Office, the Ombudsman's Offices, and the Information Management, Business Administration, and Insurance Divisions
- ◆ Operating costs of the Oregon Occupational Safety and Health Division (also known as OR-OSHA) not covered by federal funds
- ◆ The Self-Insured Employer Adjustment Reserve and the Self-Insured Employer Group Adjustment Reserve (*see below*).

Source

Revenues are generated from assessments imposed by the director on the direct earned premium of insurers and a simulated earned premium of self-insured employers. The assessment rate for the fund remained at 4.5 percent from 1990 through 1997. The rate increased in 1998 to 7.3 percent, then to 8.0 in 2002. The rate was reduced to 6.8 for 2005, and 5.5 for 2006. The rate was reduced again in 2007 to 4.6 percent where it will stay for 2008.

Appropriation

The Consumer and Business Services Fund is a "dedicated" fund and not part of the state's general fund. However, expenditures must be appropriated by the legislature and approved by the governor.

The Self-Insured Employer Adjustment Reserve and the Self-Insured Employer Group Adjustment Reserve (ORS 656.614)

These reserves provide funds to pay the claims of workers of self-insured employers when the claims costs exceed the sum of employer security deposits, excess coverage, and other assets available to pay claim costs due to employer insolvency. Generally a third party administrator processes the claims and submits requests for reimbursement to the department.

Reference: ORS 656.612 & OAR 436.085