

Oregon Workers' Compensation Compliance Section

In-Office Audit & Self-Insurance Programs

Purpose

To review and authorize payments and reimbursements to insurers and self-insured employers from the Workers' Benefit Fund in accordance with statutorily mandated programs; ensure continued claim payments for insolvent self-insured employers and bankrupt insurers; and administer the Social Security offset program. To audit annual claims reserves and calculate experience rating modification figures.

Responsibilities

Reimbursements from the Workers' Benefit Fund - Authorize reimbursements to insurers and self-insured employers for the Reemployment Assistance Program, Employer-at-Injury Program (EAIP), Retroactive Program, Reopened Claims Program, Workers with Disabilities Program, and Second Injury Program. To authorize payments and reimbursements to workers, insurers, and self-employers for Supplemental Disability Benefits. (See the Fact Sheet on the Workers' Benefit Fund for program descriptions)

Claim payments for insolvent self-insured employers or bankrupt insurers - Coordinate claim payments to injured workers from the Self-Insured Employer (Group) Adjustment Reserve (reserves within the Consumer and Business Services Fund) or security deposits of self-insured employers who have become insolvent. Coordinate and ensure continued claim payments to injured workers when a workers' compensation insurance company is bankrupt until accounts can be transferred to the Oregon Insurance Guarantee Association.

Social Security Offset Program - Review permanent total disability claims to ensure funds from combined Social Security disability and workers' compensation disability do not exceed the federal maximum.

Self-Insurance Program - Certify employers to become self-insured for Workers' Compensation purposes. Monitors certified self-insured employers to ensure appropriate levels or types of security are maintained and that excess insurance policies are in place.

Audits – To audit annual claims reserves and calculate experience rating modification figures.

Functions

In-Office auditors receive applications for reimbursement on a quarterly basis from insurers and self-insured employers. They review the applications and authorize payment if the application meets the statutory and rule requirements. Staff also review permanent total disability claims to determine if the workers' compensation benefits combined with the Social Security disability payments exceed the federal maximum. If the federal maximum is exceeded the unit orders the insurer to reduce the workers' compensation benefit. Another staff function is to use claim loss and payroll information to conduct through the annual claims reserve audit and to calculate experience rating modifications for self-insured employers. The experience rating modification is used by the self-insured employer to determine what their premium would be if they were paying an insurer, and, subsequently, determine a comparative assessment amount to submit for the Consumer and Business Services Fund.

Primary governing rules

OAR 436-040: Workers with Disabilities Program

OAR 436-075: Retroactive Program

OAR 436-045: Reopened Claims Program
OAR 436-100: Workers' Compensation Benefits Offset
OAR 436-110: Reemployment Assistance Program
OAR 436-050: Self-Insurance Certification

For more information contact: In-Office Audit & Certification Unit: (503) 947-7706 FAX: (503) 947-7725