

**A-Engrossed**  
**Senate Bill 984**

Ordered by the Senate June 10  
Including Senate Amendments dated June 10

Sponsored by COMMITTEE ON RULES

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Requires State Accident Insurance Fund Corporation to make workers' compensation insurance available to all Oregon employers except employers determined not to be qualified for coverage. Specifies attributes that make employer not qualified for coverage. Prohibits Director of Department of Consumer and Business Services and State Accident Insurance Fund Corporation from treating employer as not qualified on basis of employer not having experience rating. Directs director to establish procedure to determine if employers in occupational classification are not qualified for coverage by corporation. Establishes presumption that certain rate filings are unfairly discriminatory.]*

**Requires Director of Department of Consumer and Business Services to promulgate and review assigned risk plan for workers' compensation coverage. Provides that director shall require, to extent practicable, that workers' compensation rating organizations make financial and actuarial information concerning plan available to Department of Consumer and Business Services and insurers servicing plan.**

**Requires director to report results of assigned risk plan review to legislature. Requires State Accident Insurance Fund Corporation to file with department plan to assist employers covered by assigned risk plan to obtain coverage in voluntary market.**

**Requires director to adopt rules for consistent application of workers' compensation rates, rating plans and rating systems.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to workers' compensation insurance; creating new provisions; amending ORS 656.730; and  
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 656.730 is amended to read:

6 656.730. (1) The Director of the Department of Consumer and Business Services shall promulgate  
7 [a] **an assigned risk** plan for the equitable apportionment among the State Accident Insurance Fund  
8 Corporation and all members of workers' compensation rating organizations in the state coverage  
9 required by ORS 656.017 for subject employers whose coverage the fund, or any members of such  
10 rating organizations, object to providing. The plan shall include provisions authorized pursuant to  
11 ORS 737.265 (2), except that:

12 (a) Regardless of the rating plans adopted by any rating organization, the plan shall provide a  
13 rating structure with differing rate tiers for insureds too small to qualify for experience rating and  
14 for insureds large enough to be experience rated; and

15 (b) The plan shall seek and be entitled to receive approval for all classification exceptions ap-  
16 proved by the director for any insurer.

17 (2) If any insurer issuing guaranty contracts under this chapter refuses to accept its equitable  
18 apportionment under [such] **the assigned risk** plan, the director shall revoke the insurer's authority  
19 to issue guaranty contracts.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1           (3) The director shall require, to the extent practicable, workers' compensation rating  
2 organizations subject to this section to make financial and actuarial information concerning  
3 the assigned risk plan available to the Department of Consumer and Business Services and  
4 to insurers servicing the plan.

5           **SECTION 2.** (1) The Director of the Department of Consumer and Business Services shall  
6 conduct a review of the assigned risk plan promulgated pursuant to ORS 656.730 and of sub-  
7 ject employers that are covered by the plan. The review shall determine:

8           (a) The reasons for the initial placement of subject employers in the plan;

9           (b) Whether the initial placement of subject employers in the plan and their continued  
10 coverage by the plan are in accordance with reasonable workers' compensation insurance  
11 practices established by rule by the director;

12           (c) Whether insurers servicing the plan are aggressively assisting subject employers  
13 covered by the plan in improving workplace safety and other factors that will enable those  
14 employers to obtain coverage in the voluntary workers' compensation insurance market; and

15           (d) The reasons for the pricing structure of the plan, including minimum premiums and  
16 differences in pricing structure between the plan and the voluntary market.

17           (2) Each insurer servicing the plan shall provide to the director information requested  
18 by the director for the purpose of carrying out the review required by this section.

19           (3) The director shall report the results of the review required by this section to the  
20 Seventy-third Legislative Assembly in the manner required by ORS 192.245 by August 31,  
21 2006. The report may not include information that identifies individual subject employers  
22 covered by the plan.

23           **SECTION 3.** Within 90 days of the submission of the report required by section 2 of this  
24 2005 Act, the State Accident Insurance Fund Corporation shall file with the Director of the  
25 Department of Consumer and Business Services a plan to assist employers provided coverage  
26 by the assigned risk plan to obtain coverage in the voluntary market. The corporation shall  
27 report to the Seventy-fourth Legislative Assembly the actions taken and the results achieved  
28 as a result of those actions in carrying out the purposes of this section.

29           **SECTION 4.** Section 5 of this 2005 Act is added to and made a part of ORS chapter 737.

30           **SECTION 5.** (1) The Director of the Department of Consumer and Business Services shall  
31 adopt rules for the consistent application of workers' compensation rates, rating plans and  
32 rating systems.

33           (2) The director may adopt rules that provide that all or part of any rates, rating plans,  
34 rating systems and supporting documentation filed by a workers' compensation insurer is  
35 not subject to exemption from disclosure under ORS 192.410 to 192.505 and shall be open to  
36 public inspection upon approval of the rates, rating plan or rating system by the director.

37           **SECTION 6.** This 2005 Act being necessary for the immediate preservation of the public  
38 peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect  
39 on its passage.