

Oregon Workers' Compensation

Topic of Interest

Employer Coverage Monitoring Compliance _____

Purpose

- ◆ To bring employers into compliance with coverage laws
- ◆ To expedite benefits to injured workers whose employers have no coverage

Monitoring

Two laws help monitor employer coverage:

- ◆ Physicians must report uninsured on-the-job injuries to the department within 72 hours.
- ◆ Insurers must file proof of insurance coverage, with the department, and notify the department within ten days when coverage is canceled.

Investigations

Claims received are investigated within 60 days and referred for processing, so benefits can be paid. When coverage is not reinstated, the employer is asked to contact WCD. If there is no contact or employer response is questionable, WCD investigates further to verify coverage. In addition to investigating claims, cancellations and public complaints, WCD cooperates with other agencies in joint investigations of high risk, problem industries.

Sanctions

Sanctions against non-complying employers:

- ◆ **Claim cost** liability, including a surcharge for processing
- ◆ **Penalties**: Twice the unpaid premium or \$1,000, whichever is greater, for first time offenders; \$250 per day for continuing noncompliance
- ◆ **Injunction** proceedings to prohibit further employing without coverage
- ◆ **Contempt** proceedings for violating an injunction, could include jail time

Penalty reduction agreements have successfully been used to decrease litigation while improving compliance and penalty collection. Also, **lay representation** has enabled the division to settle more cases without litigation and reduce the cost of hearings.

Education

The Employer Compliance Unit is available as a resource to educate the public of workers' compensation laws.

Rule reference: OAR 436-050: Employer/Insurer Coverage Responsibility
OAR 436-080: Noncomplying Employers

For more information contact: Employer Compliance Unit: (503) 947-7815