

# Oregon Workers' Compensation

## Topic of Interest

### Self-Insured Employer Certification

To become a certified self-insured for workers' compensation purposes in Oregon, an employer must submit the following:

- ◆ An application in a format prescribed by the director
- ◆ Proof of the employer's claims processing ability
- ◆ Annual or audited financial statements for the last three fiscal years, along with the "SEC Form 10K" (a Securities and Exchange Commission form) if issued
- ◆ Evidence of an occupational safety and health loss control program
- ◆ Most recent experience rating modification worksheet
- ◆ Types and retention levels of excess insurance
- ◆ Signed service agreement, if applicable, between employer and service company
- ◆ Evidence that a surety bond company will issue a surety bond
- ◆ Or evidence that an irrevocable standby letter of credit can be issued by an approved banking institution.
- ◆ Evidence of a common claims fund (SI Groups)

Security deposits are required to guarantee continued payment of claim liabilities in the case of default. Adequacy of security deposits is reviewed annually and may be required to be increased depending upon claim liability, financial condition, and excess insurance coverage.

#### **Insolvent employers**

The Self-Insured Employer Adjustment Reserve and the Self-Insured Employer Group Adjustment Reserve provide funds to pay claims in the event the self-insured employer, or the self-insured employer group, fails or is unable to make payments due under ORS Chapter 656.

#### **Self-insured employer group**

Five or more employers may be approved to form a self-insured employer group in accordance with ORS 656.430.

#### **Number of self-insured employers**

There are currently 136 active self-insured employer plans in Oregon (as of December 2009), which include approximately 295 employers. There are currently about 1400 employers who are members of six certified self-insured employer groups.

**Rule reference:** OAR 436-050: Employer/Insurer Coverage Responsibility

#### **For more information contact:**

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