

2009 Insurance and Self-Insurance table updates

Workers' compensation premiums and rate changes, 1987-2009				
Year	Total system written premiums (\$ millions)	Annual change in written premium	Annual pure premium rate changes	Cumulative rate changes since 1990
1987	\$677.0	-	14.5%	
1988	735.5	8.6%	0.0%	
1989	798.8	8.6%	5.2%	
1990	852.6	6.7%	6.2%	
1991	748.1	-12.3%	-12.2%	-12.2%
1992	786.1	5.1%	-11.0%	-21.9%
1993	739.5	-5.9%	-11.4%	-30.8%
1994	731.2	-1.1%	-4.3%	-33.7%
1995	750.3	2.6%	-3.2%	-35.9%
1996	743.0	-1.0%	-1.8%	-37.0%
1997	723.9	-2.6%	-10.5%	-43.6%
1998	664.0	-8.3%	-15.6%	-52.4%
1999	607.6	-8.5%	-4.8%	-54.7%
2000	615.5	1.3%	-2.2%	-55.7%
2001	637.0	3.5%	-3.7%	-57.3%
2002	728.0	14.3%	-0.1%	-57.4%
2003	758.4	4.2%	0.0%	-57.4%
2004	859.0	13.3%	0.0%	-57.4%
2005	907.5	5.6%	0.0%	-57.4%
2006	982.6	8.3%	0.0%	-57.4%
2007*	1,192.9	6.8%	-2.1%	-58.3%
2008	945.7	-9.9%	-2.3%	-59.2%
2009	N/A	N/A	-5.9%	-61.6%

Workers' compensation pure premium rates have decreased 62 percent between 1991 and 2009. Total system written premiums decreased by \$245.0 million between 1990 and 1999; they increased through 2007, before falling again in 2008.

Notes: Although self-insured employers do not pay premiums, the department calculates a simulated premium for each self-insurer. Figures here include these simulated premiums. They also include large-deductible premium credits.

* Also, SAIF Corporation reported that its 2007 written premium amount was artificially inflated due to a policy system conversion, which now recognizes annual written premium at policy inception. SAIF estimated that this one-time adjustment inflated 2007's written premium by \$143.8 million. This inflated figure is included in the total system written premium. It has been removed, however, from the calculation of the annual change in written premium. This was done to better show the real change in premium.

Workers' compensation premium rate ranking, 1986-2008			
Year	Rate ranking	Percent study median	
1986	6th	137%	
1988	8th	142%	
1990	8th	149%	
1992	22nd	107%	
1994	32nd	85%	
1996	34th	89%	
1998	38th	85%	
2000	34th	85%	
2002	35th	85%	
2004	42nd	79%	
2006	42nd	79%	
2008	39th	83%	

Oregon's average premium rate ranking improved from sixth highest in the nation with a 137 percent of study median in 1986, to 32nd highest with an 85 percent of study median in 1994. In 2008, the ranking was the 39th highest; 83 percent of the study median.

Note: The premium rate ranking is based on the manual rates in the 50 states applied to Oregon's mix of occupations. The use of other occupational distributions will produce different rankings.

Earned large-deductible premium credits, 1996-2008			
Year	Premium credits (\$ millions)	Percent of private insurer written premium	
1996	\$0.6	0.2%	
1997	9.3	2.5%	
1998	16.2	4.6%	
1999	24.4	7.5%	
2000	20.9	6.8%	
2001	37.7	12.0%	
2002	54.8	16.8%	
2003	54.4	16.8%	
2004	50.8	14.3%	
2005	60.3	16.9%	
2006	79.8	20.1%	
2007	96.8	21.0%	
2008	87.8	22.0%	

Earned large-deductible premium credits are credits on employers' workers' compensation premium. Participating employers repay insurers their claims costs up to the deductible amounts. The use of these credits grew rapidly through 2002 then stayed roughly the same through 2004 after which rapid growth started again. In 2008, these credits were equal to 22 percent of private insurers' written premium.

Workers' compensation market share, by insurer type, 1995-2008

Year	SAIF	Private insurers	Self-insured employers	<p>In 2008, as measured by total system written premiums, SAIF had 43 percent of the market. Private insurers' share was 42 percent. The largest private insurer, Liberty Northwest, had 12 percent of the market and 28 percent of the private insurer market.</p> <p>* Note: SAIF Corporation reported that its 2007 written premium amount was artificially inflated due to a policy system conversion, which now recognizes annual written premium at policy inception. SAIF estimated that this one-time adjustment has inflated 2007's written premium by \$143.8 million. This amount was removed from SAIF's premium in the computation of the 2007 market shares.</p>
1995	33.2%	50.4%	16.3%	
1996	32.6%	50.4%	17.0%	
1997	30.9%	52.3%	16.8%	
1998	31.0%	53.2%	15.8%	
1999	31.4%	53.7%	14.9%	
2000	35.7%	50.2%	14.0%	
2001	37.2%	49.3%	13.5%	
2002	41.7%	44.9%	13.4%	
2003	42.5%	42.8%	14.7%	
2004	44.3%	41.4%	14.3%	
2005	46.1%	39.3%	14.6%	
2006	45.8%	40.4%	13.9%	
2007*	42.4%	44.0%	13.6%	
2008	42.6%	42.1%	15.2%	

SAIF Corporation financial characteristics, 1995-2008

Year	Total system written premiums (\$ millions)	Loss ratio	Expense loading factors	Dividends (\$ millions)	<p>* SAIF's written premium grew by about 13 percent per year between 1999 and 2006. Starting with 2007 SAIF changed its DPW calculation method from arrears based to total estimated at policy inception. This caused a large one-time jump in 2007. The 2008 figure returned to the normal range.</p> <p>SAIF's loss ratio (incurred losses divided by earned premiums) was 87.5 percent in 2008.</p> <p>SAIF's expense loading factor covers operating expenses, taxes, profit, and contingencies. This factor is multiplied by the pure premium rate to the employer's payroll to determine gross premium. The 2008 factor was 1.204.</p> <p>Between 1998 and 2000, SAIF paid \$492 million in dividends. Little had been paid until the \$60.0 million of 2007. (The 2002 negative dividend figure represents uncashed dividend checks credited back to SAIF.)</p>
1995	249.3	82.4	1.206	80.2	
1996	242.2	125.6	1.200	50.1	
1997	223.6	66.6	1.193	69.8	
1998	205.7	40.6	1.130	121.1	
1999	191.0	140.4	1.097	211.5	
2000	220.0	166.2	1.103	159.4	
2001	237.0	94.5	1.108	0.1	
2002	303.4	108.9	1.129	-0.6	
2003	322.0	109.5	1.149	0.2	
2004	380.2	123.3	1.203	2.0	
2005	418.3	65.8	1.204	0.0	
2006	449.8	92.9	1.208	0.0	
2007*	588.9	86.4	1.211	60.0	
2008	403.1	87.5	1.204	0.0	

Private insurers' financial characteristics, 1995-2008

Year	Total system written premiums (\$ millions)	Loss ratio	Expense loading factors	Dividends (\$ millions)	<p>Private insurers' written premium was about \$399 million in 2008. Although the 2008 premium was lower than in 2007, the written premium has been growing at a rate of more than 4 percent per year.</p> <p>The loss ratio for all private insurers was 71.0 percent in 2008.</p> <p>Each private insurer develops an expense loading factor to cover operating expenses, taxes, profit, and contingencies. These factors are multiplied by the pure premium rate to the employer's payroll to determine gross premium. The average 2008 factor was 1.397, the lowest values since 2004.</p> <p>Over the past five years, private insurers have paid back less than 1 percent of written premium in dividends.</p>
1995	378.4	68.2	1.269	12.5	
1996	374.8	66.8	1.207	10.3	
1997	378.4	62.2	1.213	9.4	
1998	353.6	71.3	1.232	10.3	
1999	326.0	69.4	1.216	11.6	
2000	309.1	78.4	1.238	10.3	
2001	314.0	88.7	1.272	8.4	
2002	327.0	66.7	1.349	6.0	
2003	324.7	91.2	1.384	3.1	
2004	355.7	88.0	1.382	2.6	
2005	356.7	83.2	1.423	1.4	
2006	396.7	81.1	1.413	2.2	
2007	461.9	69.7	1.415	1.9	
2008	398.5	71.0	1.397	1.1	

WC insurance plan (Assigned Risk Pool) characteristics, 1987-2008

Year	Covered employers	Pool premium (\$ millions)	Percent of written premium	After declining during the late 1990s, the Assigned Risk Pool grew rapidly between 2000 and 2003, from 3 percent to 9 percent of the total premium. Although the number of employers in the pool stayed roughly constant for 2004 through 2007, pool premium, for the period, declined as a percentage of written premium. In 2008 the number of covered employers decreased markedly, as did pool premium.
1987	1,935	\$19.4	3.4%	
1988	1,872	20.1	3.3%	
1989	3,658	28.8	4.2%	
1990	12,765	71.9	9.8%	
1991	11,970	71.7	11.4%	
1992	12,140	50.2	7.7%	
1993	16,056	48.6	8.0%	
1994	18,008	53.1	8.7%	
1995	17,982	49.1	7.9%	
1996	13,627	34.5	5.6%	
1997	12,771	24.7	4.2%	
1998	11,369	21.3	3.8%	
1999	9,739	17.3	3.4%	
2000	7,414	16.5	3.2%	
2001	8,533	25.2	4.9%	
2002	10,981	42.4	7.4%	
2003	12,421	55.6	9.4%	
2004	12,761	57.5	8.4%	
2005	13,054	58.9	8.2%	
2006	12,799	59.4	7.7%	
2007	12,023	55.6	5.8%	
2008	10,617	38.2	5.4%	