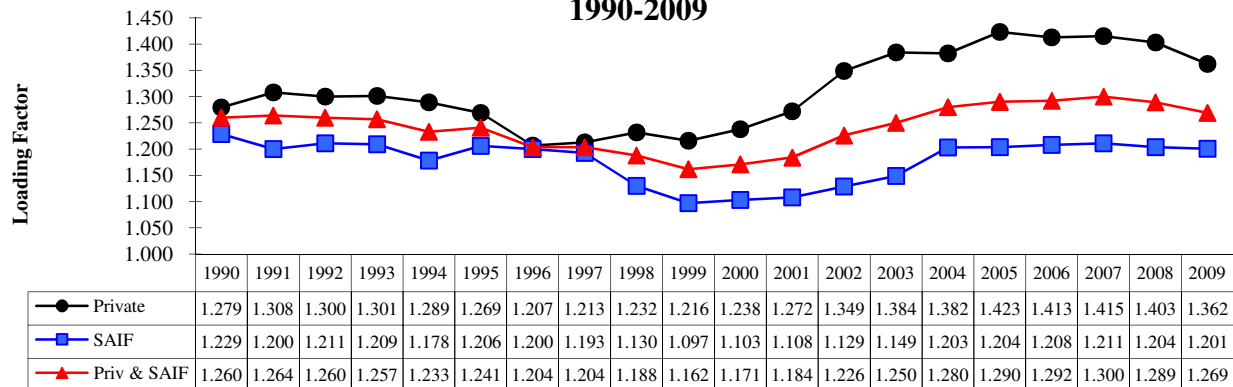


## Expense Loading Factors

The National Council on Compensation Insurance (NCCI) is the rating bureau for workers' compensation insurance in Oregon. They have established over 500 rating classifications and are charged with developing a pure premium rate for each, subject to approval by the Oregon Insurance Commissioner. Pure premium is the amount of premium necessary to pay expected losses on each \$100 of payroll.

**Figure 7. Expense loading factors - Top 30 private insurers, SAIF Corporation, and average, 1990-2009**



Source: Research & Analysis Section, Information Management Division, Oregon Dept. of Consumer & Business Services.  
Last updated 5/2010

Under Oregon's competitive rate-making system, each insurer develops an expense loading factor, subject to the commissioner's approval, to cover operating expenses, taxes, profit, and contingencies. This factor is multiplied by the pure premium rate for a classification to arrive at the manual rate to be applied to the employer's payroll to determine gross premium.

For a current listing of approved expense loading factors by company, visit the following Insurance Division site:

<http://www4.cbs.state.or.us/ex/imd/reports/rpt/index.cfm?ProgID=UR8037>