

Self Insurers

Although self-insured employers do not pay premiums for workers' compensation insurance, the Workers' Compensation Division calculates a simulated net premium for each self insurer as the basis for the workers' compensation assessment. Under the competitive rating system, each insurance company determines an expense loading factor to apply to pure premium rates developed by the rating bureau. In estimating net premium for self insurers, the division uses the lowest widely available expense loading factor used by an insurer who provides retrospective rating and premium discounts.

Table 3
Self-insured covered payroll, simulated manual premium,
standard premium, net premium, and average net premium rate for
1984-2009, with year-to-year percentage changes
(\$ thousands)

Calendar year	Covered payroll	Manual/base premium	Standard premium	Net premium ¹	Avg. net prem. rate ²
2009	\$13,543,585	\$168,585	\$153,928	\$135,538	\$1.00
	0.44%	-8.17%	-6.03%	-5.91%	-6.32%
2008	\$13,484,447	\$183,576	\$163,801	\$144,055	\$1.07
	6.23%	.45%	1.16%	1.34%	-4.60%
2007	\$12,693,731	\$182,753	\$161,916	\$142,151	\$1.12
	6.40%	6.24%	4.27%	4.41%	-1.87%
2006	\$11,929,960	\$172,011	\$155,278	\$136,145	\$1.14
	5.01%	5.15%	2.93%	2.75%	-2.15%
2005	\$11,361,010	\$163,580	\$150,860	\$132,504	\$1.17
	7.49%	7.98%	7.59%	7.62%	0.12%
2004	\$10,569,228	\$151,498	\$140,220	\$123,119	\$1.16
	6.04%	6.12%	10.11%	10.22%	3.94%
2003	\$9,967,351	\$142,763	\$127,347	\$111,705	\$1.12
	3.26%	2.62%	11.24%	14.36%	10.75%
2002	\$9,652,699	\$139,120	\$114,478	\$97,675	\$1.01
	2.36%	5.18%	9.53%	13.43%	10.81%
2001	\$9,430,057	\$132,268	\$104,515	\$86,111	\$0.91
	2.10%	-1.19%	-0.48%	-0.35%	-2.40%
2000	\$9,236,309	\$133,866	\$105,016	\$86,413	\$0.94
	1.14%	-5.66%	-4.57%	-4.66%	-5.73%
1999	\$9,132,528	\$141,899	\$110,051	\$90,639	\$0.99
	4.48%	-14.14%	-13.77%	-13.45%	-17.16%
1998	\$8,741,206	\$165,264	\$127,630	\$104,725	\$1.20
	2.13%	-12.09%	-14.10%	-14.11%	-15.90%
1997	\$8,558,976	\$188,002	\$148,585	\$121,926	\$1.42
	13.37%	-0.99%	-2.77%	-3.26%	-14.67%
1996	\$7,549,904	\$189,886	\$152,818	\$126,036	\$1.67
	0.16%	0.22%	1.39%	2.83%	2.66%
1995	\$7,537,588	\$189,477	\$150,726	\$122,569	\$1.63
	13.33%	4.93%	4.07%	5.12%	-7.25%
1994	\$6,650,755	\$180,573	\$144,826	\$116,604	\$1.75

	6.19%	-4.12%	-8.21%	-8.57%	-13.90%
1993	\$6,263,220	\$188,327	\$157,773	\$127,537	\$2.04
	6.46%	-1.51%	-3.43%	-3.03%	-9.09%
1992	\$5,883,190	\$191,222	\$163,385	\$131,517	\$2.24
	10.70%	2.83%	11.45%	11.41%	0.90%
1991	\$5,314,565	\$185,962	\$146,594	\$118,053	\$2.22
	6.08%	-3.88%	0.53%	-1.84%	-7.50%
1990	\$5,009,941	\$193,475	\$145,816	\$120,268	\$2.40
	9.69%	8.11%	4.74%	2.56%	-6.61%
1989	\$4,567,318	\$178,957	\$139,222	\$117,267	\$2.57
	11.19%	13.91%	3.57%	0.39%	-9.51%
1988	\$4,107,778	\$157,108	\$134,419	\$116,809	\$2.84
	10.74%	13.83%	16.13%	19.62%	7.98%
1987	\$3,709,413	\$138,016	\$115,751	\$97,649	\$2.63
	9.47%	32.04%	38.88%	46.45%	33.50%
1986	\$3,388,555	\$104,525	\$83,348	\$66,678	\$1.97
	5.74%	21.86%	24.46%	24.46%	17.96%
1985	\$3,204,729	\$85,775	\$66,967	\$53,574	\$1.67
	0.09%	2.40%	-0.21%	-1.01%	-1.18%
1984	\$3,202,005	\$83,766	\$67,108	\$54,119	\$1.69
	-0.89%	-4.28%	-6.32%	-5.57%	-4.52%

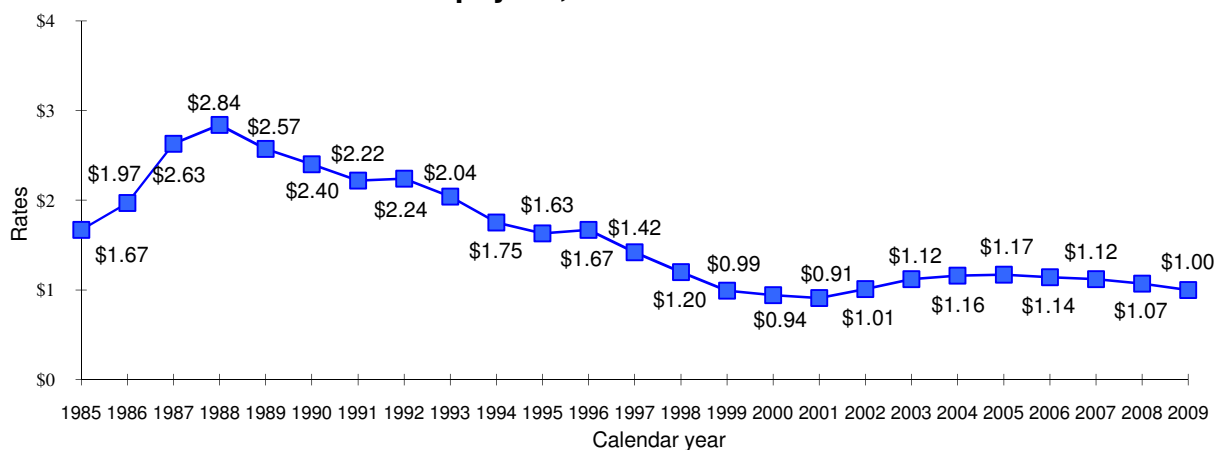
1 For 1983-1986 net premium was estimated as 80 percent of standard premium.
For other years the 80 percent method was used only for retrospective plans. All
other plans calculate net premium as standard premium minus premium discounts.

2 Average net premium rate per \$100 of payroll.

Source: Fiscal Services Section, DCBS. Last updated 5/2010

In addition to covered payroll, other factors influence the net premium calculated for assessment purposes. These factors include the industry classifications represented in the population of self-insurers, the rate reductions in fifteen of the last nineteen years (see Appendix Table 4), employers' experience rating modifications, and changes in the mix of rating plans employed.

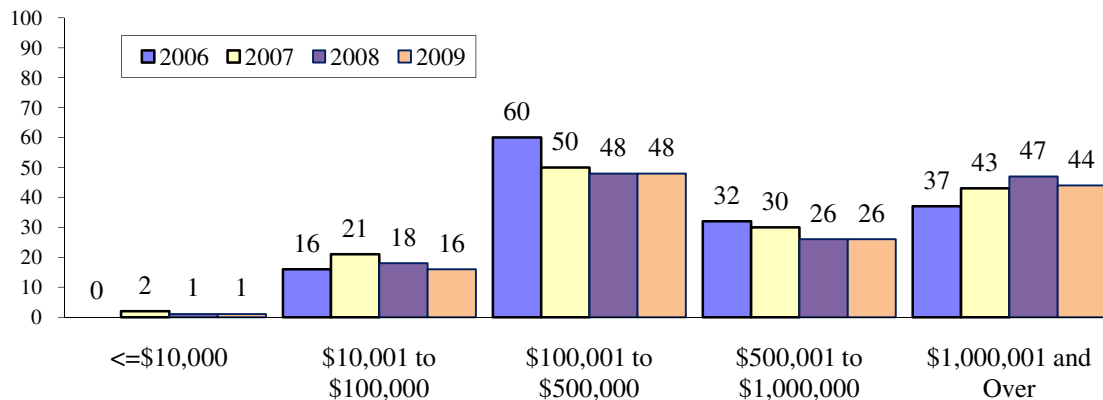
Figure 12. Average self-insurer net premium rates per \$100 of payroll, 1985-2009



Source: Research & Analysis Section, Department of Consumer & Business Services. Last updated 5/2010

The number of self-insurers reached an overall peak of 195 in 1995 and has been declining gradually since then. The highest simulated net premium for a single self-insurer in 2009 was Providence Health & Services-Oregon at \$8.6 million.

Figure 13. Number of self-insurers and net premium totals by premium volume groups, 2006 thru 2009



Year	Net Premiums				
2006	0	945,428	16,085,901	23,462,956	95,651,077
2007	6,565	1,245,122	13,121,790	21,645,492	106,131,886
2008	0	1,128,116	12,862,436	18,533,726	111,530,379
2009	8,506	1,006,361	11,772,176	18,926,979	103,824,087

Note: There were 135 authorized self-insurers and six self-insurer groups active in 2009.
There were 140 authorized self-insurers and six self-insurer groups active in 2008.
There were 146 authorized self-insurers and six self-insurer groups active in 2007.
There were 145 authorized self-insurers and six self-insurer groups active in 2006.
Net premiums: \$136,145,362 in 2006, \$142,150,855 in 2007, \$144,054,656 in 2008
and \$135,538,108 in 2009.

Source: Research & Analysis Section, Department of Consumer & Business Services. Last updated 5/2010

Since 1988, two associations, the Special Districts Association and the CIS Workers' Compensation Group, have operated as self-insurer groups under the provisions of ORS 656.430(7). Since then other groups have been added. The Oregon Operators Group was authorized in 1995, the Oregon Education Employers in 1996, the Oregon Contractors Group in 1997, the Oregon Non-profit Employers Trust in 2002, and the Oregon Employers Trust Inc. in 2009, all under the same provisions. This aforementioned statute allows five or more employers who, as a group, meet a prescribed set of criteria, to become jointly and severally liable for one another's workers' compensation claims.

Table 4. Self-Insured Groups, 2008 & 2009						
Group (year authorized)	2008			2009		
	Mem- bers	Net Prem.	% chg.	Mem- bers	Net Prem.	% chg.
Special Districts Association of Oregon (1988)	556	\$5,393,778	27.0%	573	\$6,430,162	19.2%
CIS Workers' Compensation Group (1988)	226	\$7,528,611	-1.7%	225	\$7,163,495	-4.8%
Oregon Operators Self-Insurers Fund (1995)	57	\$ 871,203	1.7%	58	\$933,885	7.2%
Oregon Contractors WC Trust IN (1997)	366	\$10,222,736	-1.6%	336	\$6,737,782	-34.1%
Oregon Educational Employers WC (1996)	18	\$1,037,454	8.0%	17	\$1,003,392	-3.3%
Oregon Non-profit Employers Trust (2002)	38	\$1,551,739	6.7%	41	\$1,638,004	5.6%
Oregon Employers Trust Inc (2009)	0	0	N/A	45	\$580,448	N/A

Source: Research & Analysis Section, Department of Consumer & Business Services. Last updated 5/2010