



NOTICE TO OREGON EMPLOYERS

NOVEMBER 18, 2011

WHAT EMPLOYERS WILL PAY FOR WORKERS' COMPENSATION IN 2012:

- Workers' compensation insurance premiums: The average pure premium rate will increase by 1.9 percent from the average 2011 level. Pure premiums are the base rates, before insurer costs are added.
- Workers' Benefit Fund ("cents-per-hour") assessment: 2.8 cents per hour or partial hour worked by each paid employee subject to workers' compensation coverage, unchanged from the past five years.
- Premium assessment: 6.2 percent for 2012, based on premiums paid, a decrease from 6.4 percent in 2011.

Please share this notice with your payroll and risk management staff.

2012 Workers' Compensation Insurance Average Premium Rate

The average pure premium rate Oregon employers will pay for workers' compensation insurance in 2012 will increase by 1.9 percent from the average 2011 level. The pure premium rate reflects market conditions in Oregon and is based on a recommendation from the National Council on Compensation Insurance (NCCI). Before this year's increase, the rate had decreased more than 60 percent since 1990, saving employers billions of dollars. The 1.9 percent increase in 2012 — driven by declining wages and increasing medical costs — represents an average across all types of businesses. Rates for specific businesses and industry groups may be higher or lower, depending on group and individual claim records. Your insurance carrier will provide you with rate information for policy year 2012. Employers pay their premiums directly to their insurers. Premiums do not fund state programs or services.

2012 Workers' Benefit Fund Assessment ("Cents-Per-Hour") Rate

For 2012, the Department of Consumer and Business Services has set the Workers' Benefit Fund assessment rate at 2.8 cents, unchanged from the past five years. This applies to each full or partial hour worked by each paid individual that an employer is required or chooses to provide with workers' compensation insurance coverage. This fund pays for programs that provide direct benefits to injured workers and their beneficiaries. The fund also provides money to help employers help injured workers return to work. Employers who fail to provide workers' compensation coverage required by law are still subject to the assessment. The rate of 2.8 cents per hour is the employer's and worker's rate combined. Employers pay at least half (1.4 cents per hour) of this assessment, and deduct no more than half from workers' wages. Each quarter, employers use Forms OQ and OTC (or approved electronic equivalents) to report and pay the assessment through Oregon's Combined Payroll Tax Reporting System. For more information about the assessment, go to www.oregon.gov/DCBS/FABS/wbf.shtml, call 503-378-2372, or e-mail wbfassess.fabs@state.or.us.

2012 Workers' Compensation Premium Assessment Rate

Effective Jan. 1, 2012, the assessment used to fund workers' compensation related programs and workplace safety and health programs that serve Oregon employers and workers will be set at an amount equal to 6.2 percent of the premiums charged for workers' compensation coverage, a decrease from 6.4 percent in 2011. Self-insured employers and self-insured employer groups will continue to pay an additional 0.2 percent into a reserve to pay claims in the event of a bankruptcy. Workers' compensation insurers, self-insured employers, and self-insured employer groups pay this assessment to the state. Insurers can pass on the cost of the assessment to the employers they cover, but must identify that cost as a separate line item on billing statements.

For more information about workers' compensation costs, contact your insurer, call the Oregon Department of Consumer and Business Services, 800-452-0288, or visit www.dcbs.oregon.gov and click on "Workers' Compensation Rates."



DEPARTMENT OF
CONSUMER
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**2012 Workers' Compensation
Premium Rate Information Enclosed**

Workers' Compensation Services for Employers

The Department of Consumer and Business Services provides many programs and services that have driven Oregon's success in keeping workers' compensation costs low and continuously improving workplace safety and health.

Return-to-work programs: Wage subsidies, premium exemptions, and reimbursements for worksite modifications and certain purchases. www.oregonrtw.info, 503-947-7813 or 800-445-3948 (toll-free)

Safety and health consultations: Free, confidential, on-site consultations from Oregon OSHA. 503-378-3272, 800-922-2689 or e-mail consult.web@state.or.us

Small Business Ombudsman for Workers' Compensation: For employers looking for workers' compensation insurance coverage and needing help in claim processing or claim management. 503-378-4209

Training: Oregon OSHA training on basic safety and health programs, safety committees, and accident investigation as well as technical training on specific topics such as ergonomics and excavations. 503-947-7443, 888-292-5247 or www.osha.org. Workers' compensation training, conferences, workshops, and speakers. 503-947-7515

Dispute resolution: Help resolving disputes concerning medical services, medical fees, vocational assistance, claim closures, and workers' compensation insurance coverage issues. 503-947-7816 or 800-452-0288 (toll-free)