



# Oregon

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**BULLETIN NO. 364**  
**Nov. 10, 2011**

**TO:** Workers' compensation insurers, self-insured employers,  
and self-insured employer groups

**SUBJECT:** 2012 premium assessment rate

**This bulletin provides the workers' compensation premium assessment rate to be applied against premium earned during the calendar year 2012. This bulletin replaces Bulletin 360 issued Nov. 15, 2010.**

Effective Jan. 1, 2012, the department has determined that an assessment rate of 6.2 percent of direct earned premium is necessary for the department to carry out its statutory responsibility to regulate, administer, and enforce the workers' compensation and occupational safety and health laws of the state of Oregon (see ORS 656.612 and OAR 440-045-0020). This assessment funds the operations of the Workers' Compensation Division, the Workers' Compensation Board, most of Oregon-OSHA, part of the Insurance Division, and other parts of the Department of Consumer and Business Services that support these activities.

An additional assessment of 0.2 percent for self-insured employers and self-insured employer groups is required to fund the Self-Insured Employer Adjustment Reserve and the Self-Insured Employer Group Adjustment Reserve (ORS 656.614 and OAR 440-045-0025). Total assessment rates are:

Insurers	6.2 percent
Self-insured employers	6.4 percent
Self-insured employer groups	6.4 percent

These rates apply to all premium earned on or after Jan. 1, 2012. Insurers should refer to Bulletin 144 for payment instructions. Self-insured employers and self-insured employer groups should refer to Bulletin 362. These bulletins are available on our website at: [www.wcd.oregon.gov/policy/bulletins/ab\\_index.html](http://www.wcd.oregon.gov/policy/bulletins/ab_index.html).

On Nov. 18, 2011, the department will mail the attached notice to Oregon employers announcing the average pure premium rate, Workers' Benefit Fund assessment rate, and premium assessment rate.

If you have questions about this bulletin, please contact Fiscal and Business Services, Central Accounting Unit, 503-947-7941.

/s/ John L. Shilts

John L. Shilts, Administrator  
Workers' Compensation Division

Distribution: WCD-S0, S2, LY, S, T, U, SIPA, PADS, E-mail lists

Attachment: Notice to Oregon Employers dated Nov. 18, 2011



## **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](http://www.oregon.gov/DCBS/FABS/wbf.shtml), call 503-378-2372, or e-mail [wbfassess.fabs@state.or.us](mailto: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](http://www.dcbs.oregon.gov) and click on "Workers' Compensation Rates."