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## **Employers will pay less for workers' compensation in 2007**

*Governor Kulongoski says 2.1 percent premium rate decrease will benefit economy*

(Portland) — The state of Oregon will reduce the workers' compensation "pure" premium rate by 2.1 percent for 2007, Governor Ted Kulongoski announced today, keeping alive Oregon's streak of 16 years without raising the rate, and strengthening the state's reputation of keeping workers' compensation costs low.

"No other state in the union has seen 16 consecutive years without a rate increase, and no other state in the union has seen rates decrease like this while benefits have actually gone up," the Governor said. Since 1990, he added, rates decreased for 12 straight years, then flattened out for four more years.

Many observers expected the streak to end, but it has not. The pure premium rate reduction means Oregon will still continue to stand out among its neighboring states.

In 2007, Oregon's employers will pay 40.6 percent less per \$100 of payroll for workers' compensation insurance than employers in California, and 9.4 percent less than those in Washington State. Since 1990, cuts in premium rates have saved Oregon's employers a record \$12.8 billion.

"This is good news for employers, and great news for our overall economy," the Governor said. "But it's great news for Oregon's workforce, as well. Lower workers' compensation costs help us attract and retain businesses, and help businesses create and retain jobs. And that's what puts more Oregonians to work."

On average, Oregon employers can expect a 2.1 percent decrease in pure premium, but not all employers will see rates drop. Specific cost changes vary from business to business, depending on the employer's industry, claims experience, workforce, and other factors. The pure premium rate, which the state sets, represents workers' compensation insurance costs before insurance carriers' expenses and profit are added.

Two additional workers' compensation fees will drop next year as well.

The workers' compensation premium assessment, which pays for the administration of workers' compensation and workplace safety programs, is proposed to decrease to 4.6 percent in 2007, from the present rate of 5.5 percent. And self-insured employers and employer groups will pay 4.8 percent next

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year, down from 5.7 percent. The more than 16 percent reduction brings the assessment to its lowest level in 10 years.

The Workers' Benefit Fund assessment, which pays for benefits to injured workers, will drop to 2.8 cents per hour worked in 2007, down from 3.0 cents per hour worked.

In total, Oregon's employers will pay \$44 million less in combined workers' compensation premium and state assessments in 2007, due to the reductions announced today.

"This is a credit to Oregon employers and employees who work together to maintain safe work environments," the Governor said. He pointed out that employers, employees, state government, and workers' compensation insurers have all worked cooperatively to adopt measures and programs that return injured workers to work faster and manage claims more efficiently and quickly.

The director of the Department of Consumer and Business Services, Cory Streisinger, said recent legislation has provided higher disability benefits to workers and greater protections during independent medical exams. "We continue to work with the Management-Labor Advisory Committee to find additional ways to improve the system," Streisinger said.

The Department of Consumer and Business Services will hold a hearing to invite public comment on the premium assessment recommendation Oct. 9 at 10 a.m. in conference room "F" in the Labor and Industries Building, 350 Winter St. NE in Salem.

Details of the rates announced today, plus a fact sheet and graphs are attached.

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The Department of Consumer and Business Services is the state's largest business regulatory agency. It administers state laws and rules, and protects consumers and workers in the areas of workers' compensation, occupational safety and health, financial services, insurance, building codes, and targeted contracting opportunities for small business. For more information, visit [www.dcbcs.oregon.gov](http://www.dcbcs.oregon.gov).