

II. KEY MEASURE ANALYSIS

Agency Mission: To serve and protect Oregon's consumers and workers while supporting a positive business climate in the state.

| KPM #4 | WORKERS' COMPENSATION COVERAGE Number of claims against employers without workers' compensation coverage per 1,000 total claims. | Measure since: 1999 |
|----------------|--|------------------------|
| Goal | DCBS Goal #1: Protect consumers and workers in Oregon. | |
| Oregon Context | DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state. | |
| Data source | Counts maintained in the Workers' Compensation Division's Claims Information System. | |
| Owner | Reg Gregory, Manager, Employer Compliance Unit, Workers' Compensation Division, 503-947-7665 Claims Unit Supervisor, Workers' Compensation Division, 503-947-7619 | |

1. OUR STRATEGY

Ensure all employers in Oregon have workers' compensation insurance coverage by using education and enforcement, improving data reporting, and partnering with other agencies.

2. ABOUT THE TARGETS

This measure is a proxy for identifying the number of employers operating without workers' compensation insurance coverage, which helps the Workers' Compensation Division measure its regulatory influence on employers. The target is based upon historical patterns of performance and can be greatly influenced by Oregon's economy and other external factors. A lower number is desired for this measure because it indicates fewer noncomplying employers.

3. HOW WE ARE DOING

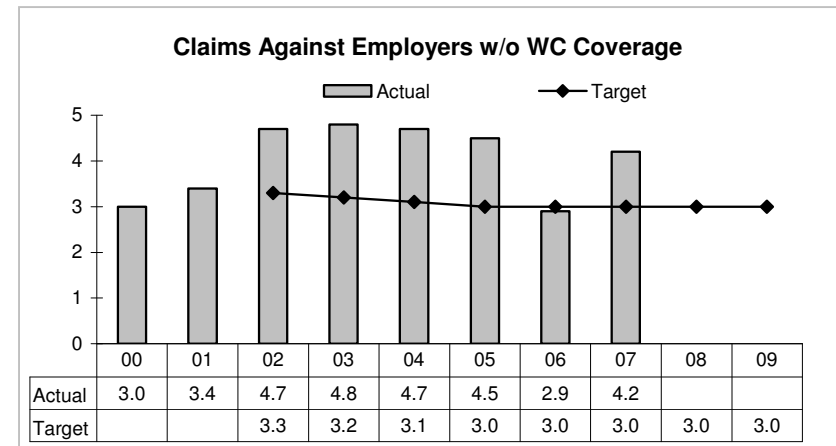
With the exception of an unusually low number in 2006, this rate has stayed steady for a long period while the economy has grown, indicating a stable workers' compensation system in Oregon.

4. HOW WE COMPARE

We do not have comparable data from other jurisdictions.

5. FACTORS AFFECTING RESULTS

WCD records and monitors workers' compensation coverage for about 89,000 Oregon employers. WCD's staff investigates claims and complaints, and tracks policy cancellations to ensure all subject employers have their required insurance. If an employer does not obtain compliance voluntarily, WCD initiates enforcement action. Small changes in the raw data of noncomplying employer claims also could significantly alter the results. Other factors include changes in investigation process, complaints, insurance requirements, insurance costs, and the economy.



Agency Name: Department of Consumer & Business Services

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6. WHAT NEEDS TO BE DONE

To reduce the number of Oregon employers at risk of no coverage, WCD is expanding education and enforcement efforts and partnering with other agencies in enforcement. Improving our investigation practices also is key to our success. WCD has partnerships with the Employment Department, Department of Revenue, Construction and Landscape Contractors Boards, Bureau of Labor and Industries, as well as local government entities regarding employers' workers' compensation insurance information.

7. ABOUT THE DATA

This key performance measure has a monthly data collection and an Oregon fiscal year reporting cycle. Data from 1994 to 2004 shows a steady decline in the number of disabling claims in the system while the operating level of the noncomplying employer claims have remained relatively steady. This is a "proxy" measure. The number 4.2 represents that only 4.2 out of every 100 workers' compensation claims filed are from employees of businesses that do not have workers' compensation insurance coverage.