

No on 801 -1: Keep Self-Insurance Programs Operating

The -1 amendment to SB 801 would eliminate the ability of self-insured employers to conduct their own claim processing. Many of Oregon's largest companies and large local governments are self-insured employers, giving their employees high quality workers' compensation coverage while doing what works best logistically and financially for the company.

These proposed changes to the self-insured program in Oregon would virtually eliminate this program, as the companies would no longer be able to do their own claim processing. While it shifts this duty to SAIF Corporation, the long term effect of this amendment would be to shift companies away from being self-insured altogether. This creates a huge problem for companies and employees who have long appreciated the ability to insure themselves for workers' compensation. Many companies use this system because it allows them to provide the best care at the best cost for their employees. Should they have to go with another company, they risk having to change the quality of care they are able to provide for their employees. And employees would lose out on what is often a more generous benefit, for example better time loss provisions.

Workers enjoy the same protections through self-insurance programs as other insurance programs. The system has been working for decades with rules in place that ensure that workers receive all the benefits they are entitled to. Just as with other insurers, self-insureds are regulated by the Workers' Compensation Division. This regulation ensures that the employees are receiving the care they deserve, while allowing employers to make the best business determination for their companies.

There are also legal considerations with making this drastic change. The dormant commerce clause of the US Constitution does not allow for states to make laws that advantage in-state over out-of-state businesses, without meeting certain requirements. Given that SAIF Corporation is an entirely Oregon based, quasi state entity, it is questionable whether Oregon would be able to require out-of-state companies who choose to self-insure, to instead use the services of SAIF Corporation.



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