

A system in balance

Celebrating a 30-year partnership between business and labor

More than thirty years ago, Oregon formed a unique partnership, bringing labor and business together to establish a workers' compensation system that benefits everyone.

Oregon is recognized as having one of the best workers' compensation systems in the country. While businesses pay some of the lowest rates in the country, injured workers get some of the most robust benefits. And everyone gains from strong safety measures and an overall reduction in injuries.

But it wasn't always this way. In 1990, workers and employers came together to fix a crumbling system plagued by high rates, high medical costs, and a high number of workplace injuries.

1914-1966: origins

Workers' compensation insurance became available to Oregon employers in 1914 through SAIF (formerly the State Industrial Accident Commission, or SIAC).

Oregon's three-way system was enacted in 1966, allowing businesses to choose between SAIF, private insurance, and self-insurance.

1980s: a troubled system

In the 1980s, Oregon had one of the worst workers' comp systems in the nation. Between 1978 and 1989, the workers' comp premiums paid by employers nearly doubled.

In 1989, Oregon ranked:

- Sixth highest in premium costs
- Highest in frequency of workplace injury claims and claims resulting in disability
- Third highest in total medical costs per claim

1990: Mahonia Hall reforms

In 1990, the governor convened a group with seven representatives from management and seven from labor at the governor's residence, Mahonia Hall, to fix the system. The group created a comprehensive plan that was passed by the legislature in a special session.

The reforms:

- Balanced worker benefits with employer rates
- Controlled medical and litigation costs
- Established safety programs to reduce injuries
- Mandated safety committees comprised of labor and management
- Expanded return-to-work programs
- Improved worker benefits

1990-present: a system in balance

Every measure of the workers' comp system has improved dramatically since the 1990 reforms. Driven by a reduction in worker injuries and other Mahonia Hall reforms, premiums have gone down every year except two (a national record). Today, the Management-Labor Advisory Committee (MLAC) is the forum to discuss and resolve workers' comp issues. It consists of five members from management and five from labor. Governors and legislators look to MLAC for guidance on whether to support bills related to the workers' comp system.

Oregon is now considered a model for other states with a system that brings together labor and management and balances the needs of workers and employers.

Over the years, MLAC has supported legislation that increased worker benefits, including linking benefits to the average weekly wage, raising the maximum benefit level, and increasing benefits for permanently disabled workers.

MLAC's stabilizing influence has ensured that no single agenda can drive changes to workers' comp—it's a system that works for everyone.

Learn more

Visit **saif.com** to learn more about SAIF's mission, services, and focus on workplace safety.

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About SAIF

SAIF is Oregon's not-for-profit workers' compensation insurance company, insuring nearly 55,000 Oregon businesses, representing more than half of the market.

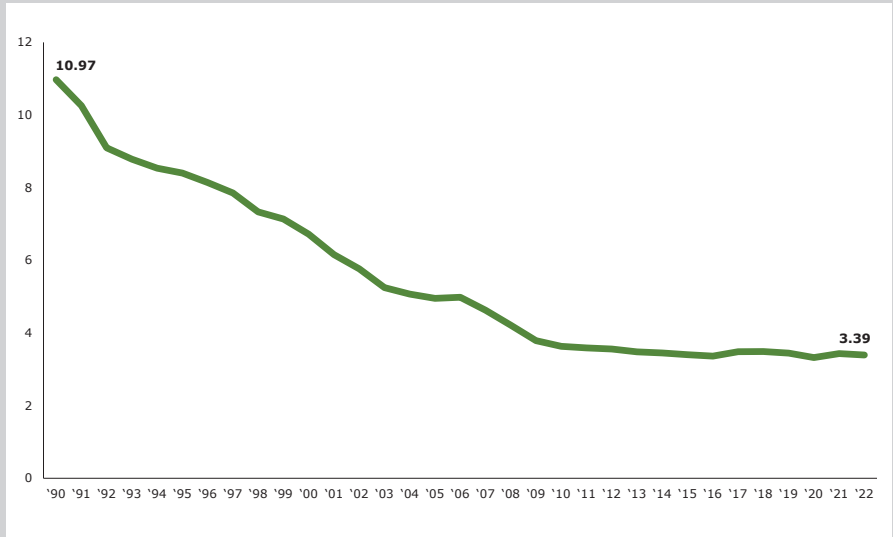
Since 1914, we've been taking care of injured workers, helping people get back to work, and striving to make Oregon the safest and healthiest place to work.

To achieve our vision for a safer and healthier state, we have:

- 78 employees providing safety and health services, including 5 industrial hygienists who work directly with employers; in 2022, they provided more than 6,200 consultations with businesses to help keep workplaces safe
- Unparalleled experience in helping high-risk industries improve safety. We insure the majority of construction, agriculture, and logging companies and work with 32 association safety consultants to provide specialized and targeted safety guidance to them
- Free trainings on safety and health delivered in multiple languages throughout the state and on saif.com
- Free educational resources on safety and health—including many in Spanish—available to everyone on saif.com

Claims have declined significantly since 1990.

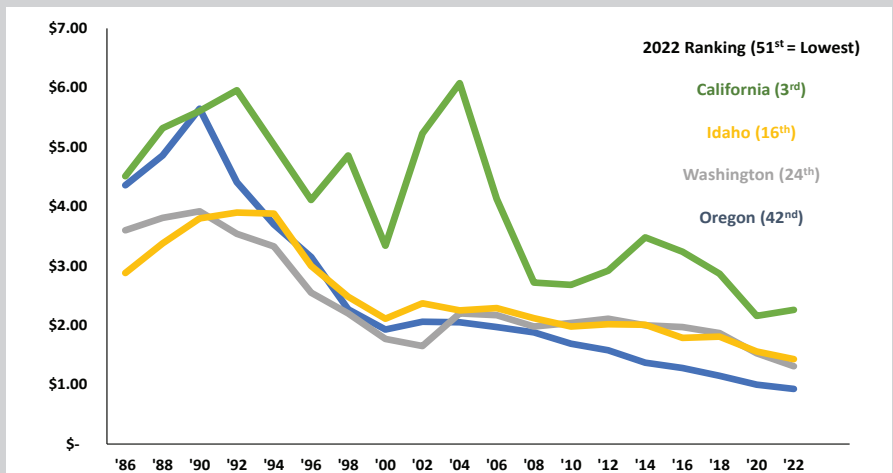
Number of accepted claims per 100 subject employee



Source: Department of Consumer and Business Services (DCBS); Information and Technology Research Section

Oregon vs. California, Idaho, and Washington comparison of workers' compensation pure premium rate indices and ranking, 1986–2022

Dollars per \$100 of payroll



Source: Oregon Workers' Compensation Premium Rate Ranking; Oregon Department of Consumer and Business Services (DCBS); Information and Technology Research Section.