

# What is SAIF?

Since 1914, SAIF has been providing affordable workers' compensation to employers, taking care of injured workers, and promoting safety and health in Oregon workplaces.

SAIF is Oregon's not-for-profit workers' compensation insurance company. A mission-driven, independent public corporation, SAIF is governed by a board of directors appointed by the governor and confirmed by the Oregon State Senate. SAIF receives no state funding. All revenue comes from policyholder premiums and investment returns.

Like most states, Oregon requires employers to carry workers' compensation insurance for all employees. Oregon's state-chartered carrier, SAIF, operates in a competitive environment. Oregon employers can choose SAIF, a private carrier, or self-insurance for workers' compensation.

With nearly 55,000 policyholders, SAIF is the largest workers' compensation provider in the state. Its market share by premium is 54%. Its pricing is competitive and its service levels are consistently higher than competitors. SAIF serves employers of all sizes, from small businesses that have only one employee to large companies with tens of thousands of employees. About 75% of SAIF's customers have 10 or fewer employees.

## Mission and vision

SAIF's mission is to serve Oregon's workers and employers by making workers' compensation coverage widely available, affordable, and accessible and by providing extraordinary service. SAIF fulfills its mission in four important ways:

- 1. Taking care of workers who are injured and helping them get back to work as soon as they are able.** SAIF recognizes workplace injuries are disruptive and potentially costly to both the worker and the employer. For this reason, SAIF strives to make claims decisions faster—23 days sooner than its competitors on average. In addition, SAIF sends nearly 92% of wage replacement checks to workers within 14 days.

SAIF's return-to-work consultants assist workers cleared by their doctor to get back to work, often on modified or light duty. In 2022, 88% of injured workers insured by SAIF who had a temporary total disability were able to get back to work within the first 60 days of receiving benefits. Over that same period, SAIF helped employers secure \$11.5 million in reimbursements from the state's Employer-at-Injury Program to create opportunities for their injured employees to return to modified work.

### Learn more

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

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## Safety at SAIF, by the numbers

In 2022, SAIF's award-winning safety and health videos **were viewed more than 295,000 times** on YouTube.

In 2022, our safety experts conducted **more than 6,200 virtual and in-person consultations** to help keep workplaces safe.

**Nearly 278,000 people have participated in SIM4© training** since 2009, which addresses some of the most common workplace injuries.

**2. Improving workplace safety and health.** SAIF seeks to make Oregon the safest and healthiest place to work. With 78 safety and health experts who help employers create safer workplaces, SAIF has built the largest network of workplace safety professionals of any insurance carrier in Oregon. In addition, all employers—not just SAIF policyholders—can access SAIF's free safety workshops and online resources, designed to help create safer workplaces, reduce employee injuries and claims, and better control costs.

**3. Competitive on pricing.** Consistent with its public purpose and mission, SAIF prices its coverage at a loss—literally below claims costs and administrative expenses—while maintaining strong benefits for workers. This is possible because returns on invested assets are used to subsidize premium rates.

When our financial position indicates we can, SAIF returns a portion of premium back to its policyholders in the form of dividends. SAIF has declared dividends in 25 of the past 32 years, while maintaining adequate reserves to pay worker benefits and remain strong in the event of catastrophes such as natural disasters or economic downturns.

**4. Insuring the hard-to-insure.** SAIF specializes in serving Oregon's high-hazard industries, such as logging, construction, and agriculture. Among employers that choose an outside insurance provider, SAIF insures 71% of construction companies, 92% of agriculture companies, and 99% of logging companies.

SAIF also services the largest percentage of Oregon's Assigned Risk Plan (ARP) for employers that can't find coverage in the voluntary market (often due to safety or financial risk). SAIF works with these employers to help them move from ARP to the lower-cost voluntary market.

With six regional offices and more than 1,100 employees across the state, SAIF strives to provide localized service tailored to the needs of Oregon employers and workers. When a worker calls SAIF, they talk to a person rather than an automated system. The largest segment of SAIF's employees are experts in claims and return-to-work, directly serving injured workers.

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## Oregon workers' compensation history

SAIF's predecessor organization, the State Industrial Accident Commission (SIAC), was founded in 1914, when Oregon established its workers' compensation system. For many years, SIAC was employers' only option for workers' compensation. In 1966, Oregon enacted the three-way system, allowing businesses a choice in their workers' compensation provider. In 1979, SIAC became the State Accident Insurance Fund, or SAIF, a not-for-profit workers' compensation insurance carrier.

Despite a dedicated state fund and a system designed to promote competition, workers' compensation in Oregon experienced challenges. By the 1980s, Oregon had one of the worst workers' compensation systems in the nation. In 1986, Oregon ranked 6th highest in the nation in average workers' compensation premiums, highest in workplace injury frequency and claims resulting in disability, and third highest in total costs per claim.

In 1990, the governor convened a group of leaders from management and labor at the governor's residence, Mahonia Hall, to negotiate a fix for Oregon's workers' compensation system. The group created a comprehensive plan that was enacted the same year by the legislature during a special one-day session to address workers' compensation.

Mahonia Hall set the stage for legislation forming the Management-Labor Advisory Committee (MLAC), a forum to discuss and resolve workers' compensation issues. The group also advises policymakers on workers' compensation laws and rules. It consists of five members from management and five from labor. MLAC's stabilizing influence ensures that no single agenda can drive changes to workers' compensation.

Today, driven by the Mahonia Hall reforms and substantial reductions in the number and severity of worker injuries, Oregon's workers' compensation system has improved dramatically, by virtually every measure. Since 1990, Oregon's pure premium rates have declined 82%. During the same period, claims per 100 workers fell by 69%, thanks in large part to the safety efforts of Oregon employers and carriers like SAIF.

Even as rates have declined, benefits for Oregon workers have improved. A national investigative journalism piece by *ProPublica* reported 33 states have reduced benefits in recent years to reduce employer cost; this has not been Oregon's approach. For example, Oregon does not cap the duration of temporary time loss disability payments and provides lifetime medical benefits. In addition, permanent disability payments and time loss disability payments are adjusted annually when Oregon's average weekly wage is adjusted. This eliminates the erosion of the value of benefits over time.

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### Key dates

#### 1914

The State Industrial Accident Commission (SIAC)—SAIF's predecessor organization—is established along with Oregon's workers' comp system.

#### 1966

Oregon enacts the three-way system, allowing businesses to choose between SIAC, private insurance, and self-insurance.

#### 1979

SIAC is reestablished as SAIF, a not-for-profit workers' compensation carrier.

#### 1990

Leaders from management and labor convene at Mahonia Hall to reform Oregon's workers' comp system—setting the stage for it to go from one of the worst systems in the nation to one of the best.

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## Taking care of workers

In 2022, SAIF **accepted more than 35,000 claims and provided benefits to nearly 56,000 people**, including beneficiaries and injured workers with claims dating back to the 1940s.

On average, SAIF **makes claim decisions more than 23 days faster** than competitors. And it **helps 88% of workers return to the job** within 60 days.

## SAIF as a public corporation

As a public corporation, SAIF retains some attributes of a government entity and some attributes of a fully independent entity.

In many respects, SAIF operates similar to private insurance companies, but has a public purpose and mission. It provides workers' compensation insurance in a competitive market and is subject to the data reporting requirements of the National Council on Compensation Insurance (NCCI). SAIF is regulated by the Division of Financial Regulation and the Department of Consumer and Business Services.

Like other public corporations, it is exempt from a number of statutes that control the administration and fiscal activities of state agencies (ORS 731.028). However, similar to some state agencies, SAIF's board of directors is appointed by the governor and confirmed by the senate; SAIF's investment officer is the Oregon state treasurer; SAIF's auditor is the secretary of state; and SAIF must insure state agencies. (ORS 656.751(1), 293.701, 656.772, 180.220, 656.017(2). In addition, SAIF is subject to Oregon's public record law. ORS 192.)

SAIF's capital is held in the Industrial Accident Fund. According to (ORS 656.634), "the Industrial Accident Fund (IAF) is a trust fund exclusively for the uses and purposes declared in [the Oregon workers' compensation statute]." The IAF holds funds for the benefit of workers who have been injured, as well as beneficiaries of those who have been killed.

## Maintaining the success of the system

For more than 30 years, Oregon employers and workers have been well-served by the Management-Labor Advisory Committee process and a robust competitive insurance market. Today, Oregon enjoys some of the lowest workers' compensation rates in the nation, while on-the-job injuries have decreased and worker benefit levels have improved.

A large component of that success is SAIF. Without a stable, public, mission-oriented option for workers' compensation, Oregon employers would not be able to enjoy some of the lowest rates in the country, and services to Oregon workers would likely decline.

The 1990 reforms continue to drive one of the most successful workers' compensation systems in the country. It's important for Oregonians to understand the history of Oregon's workers' compensation system, the impact of the reforms, and the important role of SAIF in making Oregon the safest and healthiest place to work.

*With headquarters in Salem, SAIF has regional offices in Bend, Eugene, Medford, North Bend, and Portland. SAIF has more than 1,100 employees and has consistently been named among the Healthiest Employers in Oregon by the Portland Business Journal.*