

# A system in balance

Because of the 1990 workers' compensation reforms, **450 fewer workers are being injured each day in Oregon**, while employers are actually paying less for workers' comp today than they were 30 years ago.

More than 20 years ago, workers and employers came together to fix a crumbling workers' compensation system.

Since then, Oregon's workers' comp system has become one of the most successful in the nation, with low costs for employers, improved workplace safety, and innovative programs to help injured workers get back to work.

By focusing on safety, and implementing other reforms total claims have fallen by more than 70 percent and premium costs have dropped by more than 68 percent since 1990.

## 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 from \$463 million to \$800 million.

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

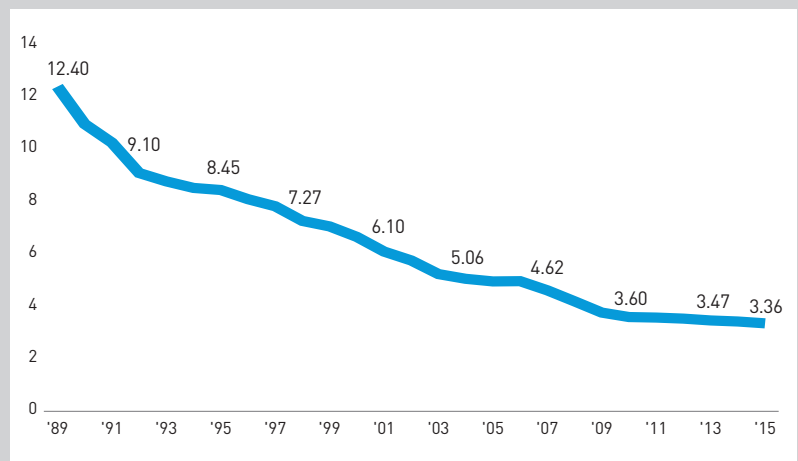
Every measure of the workers' comp system has improved dramatically since the 1990 reforms. Driven by a reduction in worker injuries and other Mahonia Hall reforms,

## Legislative contact

**David Barenberg**  
Government Relations  
Director  
davbar@saif.com  
971.600.6640

## Total claims incidence rate for Oregon workers' compensation system, 1989-2015

Number of accepted claims per 100 subject employees



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

## About SAIF

SAIF is Oregon's not-for-profit workers' compensation insurance company.

For more than 100 years, 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:

- 54 safety management consultants and 5 industrial hygienists who work directly with employers
- Partnerships in high-risk industries—including logging, agriculture, and construction—with 19 contract safety consultants for our customers
- Free educational tools and trainings on dozens of health and safety topics on saif.com and throughout the state

premiums have gone down every year except two (a national record), saving Oregon employers nearly \$20 billion.

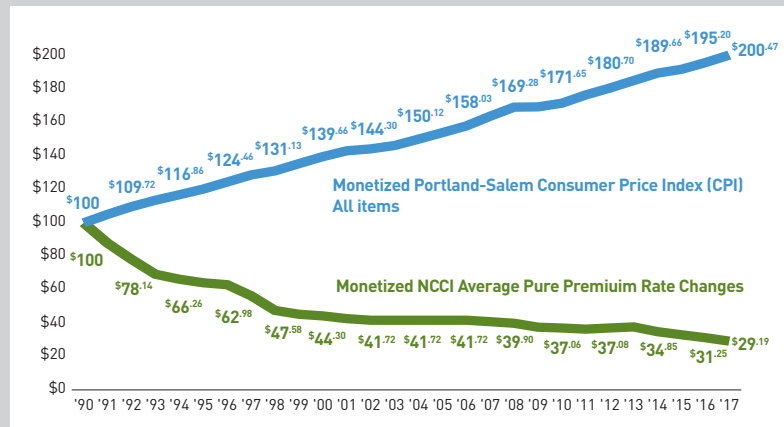
Today, the Management-Labor Advisory Committee (MLAC) is the forum to discuss and resolve workers' comp issues. It consists of five members from management and five from labor. Governors and legislators look to MLAC for guidance on whether to support bills

related to the workers' comp system.

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

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

### Monetized NCCI pure premium rate changes for Oregon compared to monetized consumer price index (all items) Portland-Salem, 1990–2017

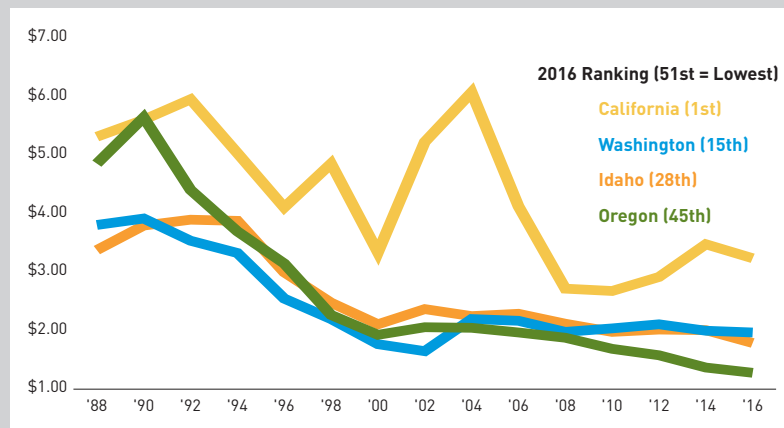


Source: National Council on Compensation Insurance (NCCI) Pure Premium rate filings for Oregon workers' compensation for years shown.

Note: The percent change in rates are monetized to show the dollar value of the average pure premium rate change. 1990 = \$100. Calendar year 2017 estimated for full year based on results from the Bureau of Labor Statistics (BLS) data for the time period January-February 2017.

### Oregon vs. California, Idaho, and Washington comparison of workers' compensation pure premium rate indices and ranking, 1988–2016

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.