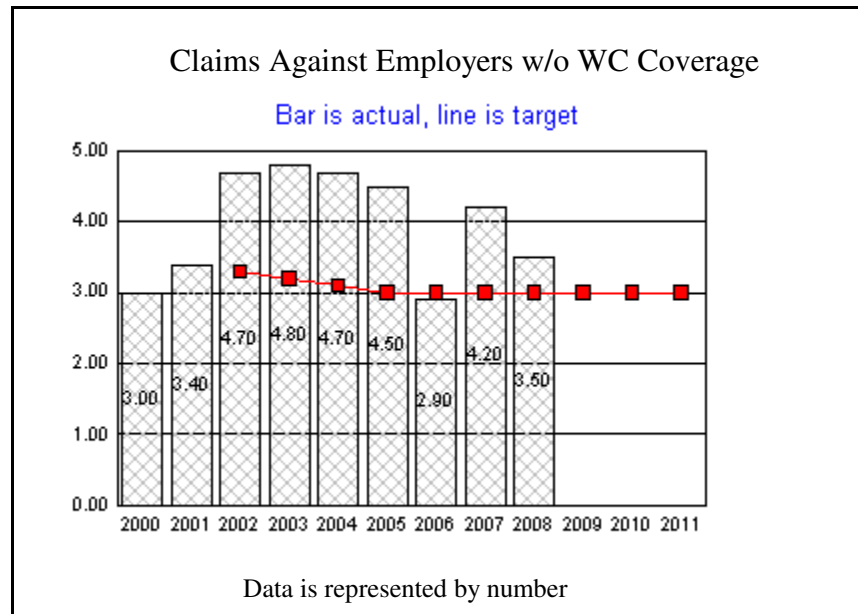


<b>KPM #4</b>	WORKERS' COMPENSATION COVERAGE – Number of claims against employers without workers' compensation coverage per 1,000 accepted disabling claims.	1999
<b>Goal</b>	DCBS Goal #1: Protect consumers and workers in Oregon.	
<b>Oregon Context</b>	DCBS Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.	
<b>Data Source</b>	Counts maintained in the Workers' Compensation Division's Claims Information System.	
<b>Owner</b>	Reg Gregory, Manager, Employer Compliance Unit, Workers' Compensation Division, (503) 947-7665 Edith Roster, Claims Unit Supervisor, Workers' Compensation Division, (503) 947-7619	



**1. OUR STRATEGY**

Ensure 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

To ensure continued workers' compensation coverage, WCD records and monitors workers' compensation coverage for approximately 91,000 Oregon employers. This measure is a proxy for identifying the number of employers operating without workers' compensation insurance coverage, which helps the department measure its regulatory effectiveness on employers and improves protection for Oregon's workers and employers. The target reflects our efforts to maximize employer compliance with workers' compensation insurance coverage requirements and can be influenced by Oregon's economy and other external factors. A lower number is desired for this measure because it indicates fewer employers are operating without workers' compensation insurance.

## 3. HOW WE ARE DOING

With the exception of an unusually low number in 2006, this rate has stayed relatively steady for a long period of years while the economy and total number of employers operating in Oregon have grown, indicating our effectiveness in achieving compliance with coverage laws. WCD's staff investigates claims and complaints, as well as tracks policy cancellations to ensure all subject employers maintain the required insurance. If an employer does not obtain compliance voluntarily, WCD initiates enforcement action.

## 4. HOW WE COMPARE

We do not have comparable data from other jurisdictions.

## 5. FACTORS AFFECTING RESULTS

Small changes in the number of noncomplying employer claims could significantly alter the results since the number of noncomplying employer claims is so low. Data is reported as the number of accepted disabling injured worker claims filed where the employer did not provide workers' compensation coverage per 1,000 total accepted disabling injured worker claims. From 2000-2008, this represents less than 0.5 percent of all claims. Changes in WCD investigation processes or insurance coverage costs may also affect results.

## 6. WHAT NEEDS TO BE DONE

To reduce the number of Oregon employers without workers' compensation insurance coverage, WCD is expanding education and enforcement efforts and partnering with other agencies. For example, many employers are currently using temporary staffing, worker leasing arrangements, or outsourcing to maintain profitability in the current economy. In 2008, WCD provided workshops to staffing providers to help them ensure that

workers' compensation coverage is provided and that claims are properly handled. This facilitates good business staffing practices that also comply with Oregon workers' compensation laws. These educational efforts will continue.

WCD also 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 to provide employers with workers' compensation insurance information and to verify that employers have workers' compensation coverage. The division participated with several of those agencies, as well as the DCBS Building Codes Division, in enforcement sweeps at construction sites in Bend, Portland, and at the coast. The sweeps serve as a deterrent for contractors violating licensing and workers' compensation insurance laws.

Further, effective July 1, 2009, the method by which insurers report proof of coverage to WCD will change. This change will allow quicker verification of workers' compensation coverage for employers and workers. In addition, it will provide WCD the ability to respond more quickly to problems or errors in the reporting by insurers.

## 7. ABOUT THE DATA

Data for this key performance measure is collected monthly and reported for the Oregon fiscal year (July 1 – June 30). This is a “proxy” measure intended to represent the relative number of employers operating in Oregon without workers' compensation insurance. Data is reported as the number of accepted disabling claims filed where the employer did not provide workers' compensation coverage per 1,000 total accepted disabling claims. The number, 3.5, indicates that only 3.5 out of every 1,000 (0.35 percent) accepted disabling workers' compensation claims filed are from employees injured at businesses that do not have workers' compensation insurance coverage. Note, DCBS reports final values to 1 decimal place. The automated annual report system shows a 0 as the second decimal place, which is a placeholder for measures that may require a second decimal place.