



Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Workers' Compensation Division

350 Winter St. NE

P.O. Box 14480

Salem, OR 97309-0405

503-947-7810

Toll free: 800-452-0288

Fax: 503-947-7581

www.wcd.oregon.gov

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To: Large employers, worker leasing companies, workers' compensation insurers, self-insured employers, and service companies

Subject: Employer and insurer responsibilities under workers' compensation large deductible policies

Industry Notice

This industry notice provides information about employer and insurer responsibilities under workers' compensation large deductible policies (LDPs). In Oregon, an LDP is a policy with a per-claim deductible of at least \$75,000. An employer must have at least \$500,000 in estimated annual standard premium to be eligible for an LDP under OAR 836-042-0080(7).

An employer that is covered under an LDP is not self-insured. These employers have the same responsibilities and obligations as other carrier-insured employers. Under ORS 656.262(3)(a), an employer must report a claim or accident to its insurer no later than five days after notice or knowledge of any claim or accident that may result in a compensable injury. **An employer that intentionally or repeatedly pays compensation instead of reporting claims or accidents to its insurer may be assessed a civil penalty under ORS 656.745(1).**

Under ORS 656.262(1), the insurer is responsible for processing all claims and paying compensation to workers. **Under an LDP, the insurer must pay all claims costs and may be reimbursed by the employer up to the deductible amount.** Under OAR 436-060-0055, an employer may choose to reimburse its insurer for medical costs on nondisabling claims to reduce its experience rating, subject to the maximum amount published in [Bulletin No. 345](#). **If an insurer discovers an employer has not reported claims or has directly paid claims costs, it must delete the large deductible provision from the employer's policy under OAR 836-054-0210(2).**

Insurers: Please share this information with your workers' compensation large deductible insured employers.

The division will soon request a subset of insurers to report LDP information. A notice will be sent at a later date with instructions that include what information to report and how to report it. We appreciate your compliance with the requirements of the Oregon Revised Statutes and Oregon Administrative Rules.

If you have questions about this notice, please contact the division at 503-947-7176 or wcd.ldpinquiries@oregon.gov.



Louis D. Savage, Administrator
Workers' Compensation Division

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