



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services
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BULLETIN NO. 273 (Revised) July 1, 2009

TO: Worker leasing companies, workers' compensation insurers, self-insured employers, and service companies

SUBJECT: Workers' compensation insurance coverage and reporting requirements for worker leasing companies

This bulletin describes reporting requirements for worker leasing companies under Oregon Revised Statutes (ORS) 656.850 and Oregon Administrative Rules (OAR) 436-050-0400 and 0410. Duplicate the attached forms or download copies of the Microsoft Word® (automated) forms from the Workers' Compensation Division's Web site:

www.oregonwcd.org/policy/bulletins/ab_index.html. This bulletin replaces Bulletin No. 273 dated Dec. 30, 1999.

Coverage Responsibility

Oregon law allows either the Worker Leasing Company (WLC), or the client to provide workers' compensation insurance coverage. A WLC must provide workers' compensation insurance coverage for workers leased to a client and any subject workers of the client. If the client has active workers' compensation insurance reported by an insurer to the Workers' Compensation Division (WCD) on behalf of the client, or is certified under ORS 656.430 as a self-insured employer, the client company must provide coverage for its subject workers and any leased workers.

Worker Leasing Notices

A WLC must file a completed Form 440-2465, "Worker Leasing Notice," whenever it provides workers' compensation coverage for a client. File Form 2465 with WCD and the WLC's workers' compensation insurance carrier within 14 days of the effective date of the lease arrangement or contract. However, do not file Form 2465 if the client maintains its own workers' compensation insurance coverage.

Endorsements

After the worker leasing notice has been filed and accepted by the division, WLCs report changes to any information on the notice by using Form 440-3270 "Endorsement to Worker Leasing Notice." Send Form 3270 to WCD and the leasing company's workers' compensation insurer.

Termination Notices

A WLC may terminate its obligation to provide workers' compensation coverage by giving written notice of termination to the client, WCD, and the leasing company's insurer. Liability will not end sooner than 30 days after WCD receives the notice. A sample termination notice, Form 440-3271, "Termination of Workers' Compensation Coverage to Client of Worker Leasing Company," is attached. WLCs may develop their own termination notices provided such notices state the effective date and hour of termination, and include a statement such as "This notice is to inform you that we are terminating our

obligation to provide workers' compensation coverage for workers provided to you and other subject workers you employ. Copies of this termination notice have been sent to our workers' compensation insurer and to the State of Oregon, Department of Consumer and Business Services, Workers' Compensation Division."

Notice of Compliance posting requirements under ORS 656.056

Unless the client provides coverage, the WLC is responsible to ensure that copies of Form 440-1188, "Notice of Compliance," are posted at the client's premises. The notice of compliance must be posted in a conspicuous manner about the place of business, and in a sufficient number of places to inform workers about the coverage. State the quantity of notices needed on Form 2465 or call the division at 503-947-7814. As their client base changes, WLCs must provide notice of compliance posters to new clients and ensure that notices are removed from the premises of former clients.

If you have questions about this bulletin or the forms, please contact a worker leasing program representative at 503-947-7815 or e-mail WCD.employerinfo@state.or.us.

/s/ John L. Shilts

John L. Shilts, Administrator
Workers' Compensation Division

Attachment: Form 440-2465, "Worker Leasing Notice" (Rev. 6/09)
Form 440-3270, "Endorsement to Worker Leasing Notice" (Rev. 6/09)
Form 440-3271, "Termination of Workers' Compensation Coverage" (Rev. 6/09)

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