



Oregon

Kate Brown, Governor

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BULLETIN NO. 273 (Revised) Aug. 27, 2018

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

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

This bulletin describes reporting requirements for worker leasing companies [also known as Professional Employer Organizations (PEOs)] under Oregon Revised Statute (ORS) 656.850 and Oregon Administrative Rules (OAR) 436-180-0100 and 436-180-0110.

The division is republishing this bulletin to provide the following revised forms:

- **Form 2465, "Worker Leasing Notice"**
- **Form 3270, "Worker Leasing Update Notice"**
- **Form 3271, "Worker Leasing Termination Notice"**
- **Form 5361, "Worker Leasing Reinstatement Notice"**

Changes to the forms include:

- **Adding a fax number for submission of notices (all forms)**
- **Adding a space to capture the authorized representative's email address (all forms)**
- **Changing the order of the "Client mailing address" and "Oregon location address" lines (Forms 2465 and 3271)**

No substantive changes were made to the content of this bulletin. This bulletin replaces Bulletin No. 273 dated June 29, 2018.

Coverage Responsibility

When a worker leasing company provides workers to a client, it must provide workers' compensation insurance coverage for the leased workers and any subject workers employed by the client, unless an insurer has reported active workers' compensation insurance to the Workers' Compensation Division on behalf of the client, or the client is certified under ORS 656.430 as a self-insured employer. If the client has its own coverage, it must provide coverage for any leased workers and any other subject workers it employs.

When a worker leasing company provides coverage to a client, it must report all coverage transactions as described under OAR 436-180-0110.

Notice of Client Coverage

When a worker leasing company provides coverage to a client, it must provide notice to the director and its insurer as described under OAR 436-180-0100, using Form 2465, “Worker Leasing Notice,” within 30 days after the first date of Oregon payroll under the worker leasing arrangement or contract. The form must be correct, complete, and signed by an authorized representative of the worker leasing company. This notice acts as proof of coverage for the client when the worker leasing company carries the coverage, and will be rejected if incomplete or incorrect.

Note: Do not file Form 2465 if the client maintains its own workers’ compensation insurance coverage.

Updates to Coverage Information

A worker leasing company must notify the director and its insurer of changes or corrections to client information previously provided on Form 2465 to the director and its insurer as described in OAR 436-180-0120, using Form 3270, “Worker Leasing Update Notice,” within 30 days after the effective date of a change or knowledge that a correction is needed.

Termination of Obligation to Provide Coverage

A worker leasing company may terminate its obligation to provide workers’ compensation coverage to a client by providing written notice of the termination as described in OAR 436-180-0110. The notice must be sent to the client’s last-known address by U.S. mail, and copied to the worker leasing company’s insurer and the director.

The worker leasing company may use Form 3271, “Worker Leasing Termination Notice,” or it may develop its own notice, provided the notice states the requested effective date and reason for the termination, the client’s name, federal employer identification number, contact information, is signed, includes leasing company contact information, and includes 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.”

Important: A termination notice must be sent within 30 days after the final date of a lease arrangement in Oregon, or knowledge that a client has obtained other coverage, however, it is in the worker leasing company’s interest to file the notice earlier. **Regardless of the requested effective date in the notice, the worker leasing company will continue to be responsible for any claims filed against the client until at least 30 days after the division receives the notice or the effective date of other coverage for the client that has been filed with the division.**

Reinstatement of Coverage

When a worker leasing company needs to reinstate coverage after termination of a Worker Leasing Notice, it must notify the division and insurer using Form 5361, “Worker Leasing Reinstatement Notice,” within 30 days after the reinstatement becomes necessary. The form must be correct, complete, and signed by an authorized representative of the worker leasing company.

Notice of Compliance Posting Requirements Under ORS 656.056

When the worker leasing company provides coverage to a client, the worker leasing company is responsible for ensuring that copies of Form 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 503-947-7675 to request copies. The worker leasing company is also responsible for ensuring that notices are removed after it no longer provides coverage to the client. Clients obtaining their coverage outside of the worker leasing arrangement will receive Form 1188 directly from their insurer.

If you have questions about this bulletin or the forms, contact the Worker Leasing Program at 503-947-7591 or email WorkerLeasing.WCD@oregon.gov.

/s/ Louis Savage

Louis Savage, Administrator
Workers’ Compensation Division

Distribution: WCD-LY, GovDelivery mailing lists

Attachment: [Form 2465, “Worker Leasing Notice”](#) (Rev. 8/18)
[Form 3270, “Worker Leasing Update Notice”](#) (Rev. 8/18)
[Form 3271, “Worker Leasing Termination Notice”](#) (Rev. 8/18)
[Form 5361, “Worker Leasing Reinstatement Notice”](#) (Rev. 8/18)