



Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Workers' Compensation Division

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INDUSTRY NOTICE

To: Insurers, self-insured employers, and service companies

Subject: New civil penalty law starts Jan. 1, 2020

The Workers' Compensation Division issues civil penalties for violations of statutes, rules, and orders of the director, such as claims processing and coverage reporting violations. Currently, depending on the seriousness and frequency of a violation, a civil penalty may range from \$100 or less to \$2,000 per violation.

Effective Jan. 1, 2020, [House Bill 2087](#) (2019) amends the civil penalty law, ORS 656.745¹, to:

1. Establish separate penalty caps for employers and insurers that induce workers not to report their injuries – \$2,000 per violation and \$40,000 in aggregate per calendar year.
2. Increase the per-violation penalty cap for insurers, self-insured employers, and service companies that fail to pay assessments or comply with the law from \$2,000 to \$4,000, and increase the total (aggregated) penalty cap from \$10,000 per three-month period to \$180,000 per calendar year.
3. Revise the total (aggregated) penalty cap for employers (except self-insured employers) and managed care organizations that fail to pay assessments or comply with the law from \$10,000 per three-month period to \$40,000 per calendar year. The per violation cap remains \$2,000.

The law change will allow per-violation civil penalties up to \$4,000, but the division will continue to use established penalty rates in 2020.

The division will document patterns of noncompliance to determine appropriate penalty amounts after 2020. Although per-violation penalty rates will not increase in 2020, aggregate penalties issued under ORS 656.745 may sum to the revised total penalty caps of \$40,000 or \$180,000 during the calendar year.

If you have questions about civil penalties, contact Tasha Fisher, Sanctions and Medical Resolution Team, at 503-947-7737.

Sally Coen, Acting Administrator
Workers' Compensation Division

Distribution: Govdelivery listserv (Insurers, self-insured employers, and service companies)

¹ Revisions to ORS chapter 656 due to 2019 legislation will not appear immediately in published statutes. Please refer to enrolled [House Bill 2087](#).