Employer/Insurer Coverage Responsibility
Oregon Administrative Rules
Chapter 436, Division 050

Note: Following the passage of HB 2800 (2025), this division is being opened to make a housekeeping change to the rule below. Proposed effective July 1, 2027.

436-050-0200 Self-Insured Certification Cancellation; Revocation

(1) Effective period of self-insurance certification.

A self-insured employer's certification remains in effect until:

(a) Revoked as provided under OAR 436-050-0150 to 436-050-0195, ORS 656.434, and ORS 656.440; or

(b) Canceled by the self-insured employer with the approval of the director.

(2) Cancellation of self-insurance certification.

If a self-insured employer wishes to cancel its certification:

(a) The employer must submit a written request to the director. The request must include:

(A) The arrangements that have been made to process present and future claims for which the employer is responsible;

(B) A statement of all present and future claims liabilities for all liabilities incurred during the period of self-insurance; and

(C) Any reports and moneys due the director under ORS 656.506, 656.612, and 656.614.

(b) The request under subsection (a) must be submitted at least 60 days before the desired date of cancellation. If the request to cancel is submitted fewer than 60 days before the desired date of cancellation, or otherwise does not meet the requirements of this section, the director may set a cancellation date later than the date requested.

(c) If the self-insured employer will continue to have subject workers after the cancellation date, the employer must demonstrate compliance with ORS 656.017, before the desired date of cancellation, by causing one of the following to be filed with the director:

(A) Proof of coverage provided by an insurer under ORS 656.407, filed by the insurer;

(B) Notice of client coverage provided by a ~~worker leasing company~~self-insured professional employer organization (PEO) under OAR 436-180-0110, filed by the ~~worker leasing company~~self-insured PEO; or

(C) A copy of an assigned risk binder issued by the Plan Administrator of the Oregon Workers' Compensation Insurance Plan under OAR 836-043-0044, filed by the Plan Administrator.

(d) If the self-insured employer fails to provide the director evidence of coverage under subsection (c) before the desired date of cancellation, the self-insurance certification, including reports and moneys due the director under ORS 656.506, 656.612, and 656.614, will remain in effect.

(3) Responsibility for processing claims.

If a workers' compensation insurance policy and a self-insurance certification on file with the director are both in effect for the same employer for the same time period, the self-insured employer is responsible for processing claims that occur during the time period.

(4) Revocation of self-insurance certification.

The director may revoke the certification of a self-insured employer that fails to comply with ORS 656.407, 656.430, or these rules; defaults under ORS 656.443; or commits any violation for which a civil penalty may be assessed under ORS 656.745. Notice of revocation will be given as provided in ORS 656.440, except that the director may revoke the certification of a self-insured employer after giving 30 days written notice as provided in ORS 656.430(9).

(5) Release of security after self-insured certification cancellation; revocation.

If the certification of a self-insured employer has been canceled or revoked, the director may accept a policy of paid-up insurance in lieu of the employer's security deposit.

(a) The director may accept a policy of paid-up insurance under the following conditions:

(A) The policy must be issued by an insurer, as defined in OAR 436-050-0005;

(B) The policy must provide that the insurer agrees to assume, without monetary limit, all responsibilities and liability of the self-insured employer under ORS chapter 656 for the period the self-insured employer's certification was in effect;

(C) The policy must not be subject to cancellation; and

(D) The policy must not contain provisions or endorsements that do not comply with ORS chapter 656 or OAR chapter 436, including provisions that limit when a claim may be reported.

(b) The director may consider the following factors when determining whether to accept a policy of paid-up insurance:

(A) The amount of the insurer's surplus, as reported on column 1, line 37 of the Liabilities, Surplus, and Other Funds page of the insurer's Annual Statement under OAR 836-011-0000, relative to the amount of security the self-insured employer is required to maintain under OAR 436-050-0180; and

(B) The amount of the insurer's total adjusted capital relative to the insurer's authorized control level risk-based capital, as reported on column 1, lines 28 and 29 of the Five-Year Historical Data page of the insurer's Annual Statement under OAR 836-011-0000.

(c) Upon accepting a policy of paid-up insurance, the director will release the self-insured employer's security deposit in writing.

(6) Responsibility of self-insured employer after cancellation or revocation.

Cancellation or revocation of a self-insured employer's certification does not relieve the employer from full and primary responsibility for claims administration and payment of compensation under ORS chapter 656 for the period the employer's certification was in effect, unless the director accepts a policy of paid-up insurance under section (5) of this rule.

Statutory authority: ORS 656.726(4)
Statutes implemented: ORS 656.434 and 656.440
Hist: Amended 12/17/19 as Admin. Order 19-057, eff. 1/1/20
Amended 11/7/22 as Admin. Order 22-065, eff. 1/1/23
Amended 10/15/26 as Admin. Order 26-068, eff. 7/1/27
See also the *Index to Rule History*: https://wcd.oregon.gov/laws/Documents/Rule_history/436_history.pdf.