

From: [FELLMAN Aaron E * DCBS](#)
To: ["arin@cardinalservices.com"](mailto:arin@cardinalservices.com)
Cc: [ROGERS Marie A * DCBS](#)
Subject: RE: OAR 436-180 Advisory Committee Meeting Minutes & May 12, 2026 Meeting Cancellation
Date: Monday, May 11, 2026 9:46:44 AM
Attachments: [image001.png](#)
[image002.png](#)

Hi Arin,

We appreciate the written comments, as well as Cardinal's engagement throughout the rulemaking process (and the legislative process before that.)

I do want to offer one point of clarification. Oregon is unique in requiring clients covered under a master policy to be separately rated (i.e. to have their own experience modifications during the term of the PEO relationship). However, states that allow MCPs do generally require clients covered under an MCP to be separately rated.

Of the 20 "high premium" states, 7 mandate the use of MCPs, and all 7 require clients to be separately rated. A further 10 states allow both MCPs and master policies. In these states, clients must be separately rated when covered under an MCP, while clients covered under a master policy are not separately rated.

The "hybrid" reporting structure used in Oregon is necessary to allow for separate rating under a master policy model. If Oregon decided to allow both MCPs and master policies, hybrid reporting would continue to be necessary for master policies. However, it would not be required for MCPs, because the structure of an MCP allows both coverage and unit statistical data for an individual client to be reported together using policy type code 4 or 5, as is done in other states.

This is not intended to minimize Cardinal's or NAPEO's concerns- I just wanted to address something that, in hindsight, the May 6 memo did not make clear. I apologize for the confusion. Please feel free to share this response with any interested parties.

Best,

Aaron Fellman
Coverage & Assessments Policy Analyst
Workers' Compensation Division | Department of Consumer and Business Services
971-345-7809
aaron.e.fellman@dcbs.oregon.gov

