



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services
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To: Workers' Compensation Insurers, Self-Insured Employers, Service Companies, Third Party Administrators, and Other Interested Parties

Subject: Civil Penalties for Late Reporting of Premium Assessment

The Workers' Compensation Division is changing the amounts and basis on which civil penalties are assessed for untimely reporting and payment of workers' compensation premium assessment, effective July 31, 2005, with 2nd Quarter 2005 reporting. We hope you will use this advance notice to confirm that your internal processes and practices enable you to comply with reporting deadlines.

Insurers must accurately report and pay the premium assessment no later than the 15th day of the second month following the last day of each calendar quarter. Self-insured employers must do the same no later than the last calendar day of the month that follows the end of the calendar quarter. Insurers and self-insured employers are subject to penalties if their reports and payments are not complete, accurate, and postmarked or received timely.

The agency has taken increasingly proactive measures to communicate directly with insurers' and self-insured employers' designated contacts, and to provide online interactive reporting forms. However, insurers and self-insured employers who continue to report untimely and inaccurately require substantial follow-up work by agency staff, increasing the costs of the workers' compensation system to everyone.

To more effectively support agency objectives for enhancing industry performance, as well as provide data to assess whether a statutory change to the civil penalty ceiling is necessary, we have increased the penalty maximum in the administrative rules to the \$2,000 maximum allowed by statute. We have also simplified our matrix for civil penalties to relate exclusively to the number of violations, not the amount of premium.

The agency will issue a one-time warning letter and penalty waiver the first time a report and payment are received late. After that, we will calculate penalties depending on the frequency with which an insurer or self-insured employer has failed to report and pay timely during the 12 quarters preceding the quarter under consideration.

Civil Penalty Schedule for Late Reporting and Payment of Premium Assessments				
One-Time Only Warning	First violation	Second violation	Third violation	Fourth and all subsequent violations*
Penalty waived	\$250	\$500	\$1,000	\$2,000

*Maximum penalty

If you have any questions, please contact Diane Gillitzer, Assessments Analyst, (503) 947-7941, or send e-mail to diane.m.gillitzer@state.or.us.

John L. Shilts, Administrator
Workers' Compensation Division

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