

Department of Consumer & Business Services
Oregon Division of Financial Regulation – 5
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**WORKERS' COMPENSATION FORMS
RATES FOR ADVISORY LOSS COST MODIFICATION FACTORS
OTHER WORKERS' COMPENSATION RATES, PLANS, RULES, OR RATING VALUES**

This checklist (product standards) has been provided as an aid to assist you in preparing your filing. The checklist does not need to be included with a paper submission or attached to a SERFF filing under the Supporting Documentation tab. However, the reviewer may request the completed checklist (product standards) at any time during the review, ORS 731.296, OAR 836-010-0011 (2) & (3). This checklist includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. **The standards are summaries. Review of the entire statute or rule will be necessary.** After diligent consideration has been given to each item, mark either the "Yes" or the "N/A" box. Compliance with these provisions must be certified by both the filer and an officer of the company signing the Certificate of Compliance form. These signatures certify the forms being submitted meet the requirements of our checklist and statutes. "Not applicable" can be used only if the item does not apply to the coverage being filed. If the reviewer requests the checklist (product standard), any line left blank may result in the delay or disapproval of the filing.

Note: Insurer forms or endorsements filed to accommodate insurer-approved rating plan or rating-system deviations must also meet the requirements of this document along with form filing requirements. Insurers must use uniform statutory approved forms filed by a licensed workers' compensation rating organization.

This checklist is NOT APPLICABLE to the following:

For TOIs not listed, see our Web site for specific standards at: <http://dfr.oregon.gov/rates-forms/Pages/index.aspx>

For adopting licensed rating organizations forms, see requirements under *Rating Organization Form Adoption* on our Web site.

TOI (type of insurance) code: 16.0 Workers' Compensation

Sub-type code:

- 16.0004 Standard Workers' Compensation
- 16.0002 Employers' liability (more than \$500,000)
- 16.0003 Excess Workers' Compensation

Review requirements	Reference	Description of review standards requirements	Answer Yes or No
Requirements	OAR 836-010-0011 As required on SERFF or our Web site	<p>Required filing requirements are located on SERFF or on our Web site at: http://dfr.oregon.gov/rates-forms/Pages/index.aspx. If a filing is submitted in SERFF, the applicable information must be attached correctly in order for the form filing to be considered complete.</p> <p>Redlines of previously approved documents must be attached under the supporting documentation tab. Clean copies of the submitted form(s) must be attached under the Form Schedule tab. Each form within the file must be attached to a separate Schedule Item under the Forms Schedule tab. The form number must appear exactly as shown on the PDF document.</p> <p>We prefer the revision date to be part of the form number. Do not add the edition date to both the Form Number column and the Edition Date column. The Form Type column and the Action Specific Data column must be completed correctly. When submitting revised documents provide the previous Oregon Filing Number and the form number, including the edition date of the previously approved form.</p> <p>Rates and rules must be submitted under the Rate and Rule tab. The Actuarial Memorandum must be submitted under the Supporting Documentation tab. Other filing requirements as listed below, or other documentation used to assist us in our review, should be submitted under the Supporting Documentation tab under the correct heading. If submitting a paper filing, please see #12 below.</p> <ol style="list-style-type: none"> 1. Transmittal form. (Only required when submitting a paper filing.) 2. A Filing Description under the General Information tab or a Cover letter or Filing Memorandum under the Supporting Documentation tab that explains the intent or purpose of the forms/rules/rates. 3. Third-party filer's letter of authorization if applicable. 4. Signed Certificate of Compliance, Form 440-3894. 5. Appendix, Form 440-3628, attached under Supporting Documentation tab if any Appendix factors change with the filing. 6. Attach a separate Appendix for each tier or insurer. 7. Attach OAR 836-042-0015(2) Exhibits 1 and 2, Forms 440-3614w and 440-3613, or the NAIC Loss Cost Data Entry Document and the NAIC Loss Cost Filing Document for Workers' Compensation to the Supporting Documentation tab. Separate exhibits are required for each tier and insurer. 	<p>Yes No</p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Answer Yes or No
Requirements, continued	OAR 836-010-0011 As required on SERFF or our Web site	<p>8. For form submissions, has a comparison document (annotated, highlighted, red-lined, or side-by-side) been provided for each previously approved form? Submit document/s under the Supporting Documentation tab.</p> <p>9. The rates and/or rules are attached to the Rate Schedule tab. Actuarial documentation that provides an overview of the contents of the filing, and the reasons and procedures used to support the rate change has been attached to the Supporting Documentation tab.</p> <p>10. The forms being filed for approval are attached to the Form Schedule tab.</p> <p>11. Attach to the Supporting Documentation tab, those approved amendatory endorsements which bring the forms into compliance with Oregon statutes.</p> <p>12. When submitting a paper filing, send two complete sets of the entire filing. Include a self-addressed, stamped envelope that is large enough to return the second copy of the filing.</p> <p>NOTE: This checklist does not need to be submitted with the filings. However, it may be requested by the reviewer. Please use this document as a tool to help you comply with our requirements.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Review	ORS 742.003(1), ORS 737.205, ORS 737.320	<p>Check all that are submitted in this filing for review:</p> <p>1. New program</p> <p>2. Forms</p> <p>3. Endorsements Rates and rules</p> <p>4. Rates and rules</p> <p>5. Amending existing program, provide Division of Financial Regulation filing number</p>	<p>Yes N/A</p> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Requirements limitations/ restrictions on transacting business	<p>ORS 737.205, ORS 737.320, ORS 742.003(1)</p> <p>Bulletin 92-5</p> <p>Bulletin 92-5</p>	<p>Prior approval of all rates, rating plans, and forms is required.</p> <p>Fixed loss cost multiplier applies to current January 1 loss costs and must be refiled each year.</p> <p>Automatic loss cost multiplier applies automatically to new advisory loss costs every January 1.</p>	<p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/> <p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/> <p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/>
Fictitious groups	<p>OAR 836-080-0150, ORS 746.145</p> <p>ORS 737.316, OAR 836-042-0201</p> <p>ORS 737.602</p>	<p>Dividend groups are prior approved under ORS 746.145 and OAR 836-080-0150.</p> <p>Oregon Group Supplemental Experience Rated Plans If filing an employer group for rating purposes, the group meets the requirements of ORS 737.316 and OAR 836-042-0201 to 0225.</p> <p>Wrap-up Projects are limited to projects with construction value greater than \$90 million. Contact Division of Financial Regulation for approval requirements.</p>	<p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/> <p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/> <p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/>
Participating plans	OAR 836-080-0120	If filing a participation policy, the policy includes a participation provision which is similar to that in OAR 836-080-0120.	<p>Yes No</p> <input type="checkbox"/> <input type="checkbox"/>

WORKERS' COMPENSATION FORMS			
Review requirements	Reference	Description of review standards requirements	Answer Yes or No
Requirements	ORS 737.265 (2) ORS 737.320 (3) OAR 836-042-0035	Rating organization has no approved usable form.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	OAR 836-042-0015(8)	Form filed with the rating organization for compliance with insurer's rate filing. All other forms filed with the rating organization for information only.	Yes <input type="checkbox"/> No <input type="checkbox"/>
EXCESS WORKERS' COMPENSATION FORMS			
Requirements	ORS 656.430(8)(a), OAR 436-050-0170(2)	Include provision for reimbursement to the department of expenses paid by the department on behalf of the employer pursuant to ORS 656.614(1) and 656.443 in the same manner as if the department were the insured employer.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	OAR 436-050-0170(2)	Coverage must be continuous. Policy renews automatically unless 30 days written notice with a copy filed with the director.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Cancellation	OAR 436-050-0170(2)	At least 30 days written notice. The notice must include the date the policy is to be canceled and a copy filed with the director.	Yes <input type="checkbox"/> No <input type="checkbox"/>
RATE, RULE, AND RATING PLAN,			
Discrimination	ORS 746.015	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and application of rates.	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Loss cost multiplier, expense constant, and minimum maximum can not exceed those of the Oregon Workers' Compensation Insurance Plan, the assigned risk plan.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	OAR 836-042-0025(1)	Revision of a rate, rating plan or rating system is filed to become effective within six months of the effective date of a corresponding rate, rating plan or rating system previously filed by the insurer	Yes <input type="checkbox"/> No <input type="checkbox"/>
		The rating system does not contain rules specifying that a revision of a rate, rating plan or system shall not apply to an insured until an anniversary rating date at least 11 months and 16 days subsequent to the earlier of the preceding anniversary rating date or the preceding policy effective date established for an insured unless approved by the Director to apply to all policies in force on a common date	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Premium rates are based on provisions for claim payment filed by a licensed rating organization which are not the provisions most recently approved or premium rates are determined by multiplying superseded provisions by a factor	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Provisions for claim payment to be used by an insurer as a basis for premium rates are revised to be effective on a date other than the date of a revision approved for a licensed rating organization	Yes <input type="checkbox"/> No <input type="checkbox"/>
	OAR 836-042-0025(2)(a)	A rating plan or rating system which produces only credit modifications to an insured's premiums is offered at the option of the insurer	Yes <input type="checkbox"/> No <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Answer Yes or No
Schedule rating	OAR 836-042-0025(2)(b)	No Individual Schedule Rating Permitted. If the modification of the premium or premium rates applicable to an insured cannot be quantitatively determined by the Commissioner except for the uncertainty of estimated exposures.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Tier rating	OAR 836-042-0025(2)(c)	An insurer must providing a clear rule for deciding which tier is to be applied to an insured when more than one schedule of premium rates is filed. If affiliated insurers with different loss cost multipliers, the insurers must provide a clear rule for deciding which insurer is to be applied to an employer.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Experience rating	ORS 737.310(11)	Rating system includes a plan for rewarding employers that have good loss experience or programs likely to improve accident prevention and provides for the insurer to include potential third party recovery in the claims reserving process.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Investment income	ORS 737.310(9)	Due consideration shall be given, in the making and use of rates, to investment income earned by the insurer, to insurer profits and to accumulated reserves for vocational rehabilitation services and for claim costs related to orders or awards made pursuant to ORS 656.278.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Taxes, licenses and fees	ORS 731.854(5)(c), ORS 317.122(2)	Tax provision in the neighborhood of zero.	Yes No <input type="checkbox"/> <input type="checkbox"/>
		Excise tax provision in the neighborhood of zero. A credit against the taxes otherwise due shall be the lesser of: (a) The amount of any assessments paid by the insurer during the tax year pursuant to ORS 656.612; or (b) The total profit attributable to the workers' compensation line of business, net of reinsurance and including all investment gain attributable to the workers' compensation line of business, determined in the manner prescribed under ORS 731.574 by the Director of the Department of Consumer and Business Services, with the modifications under ORS 317.655 attributable to the workers' compensation line of business, and then apportioned in accordance with ORS 317.660 and multiplied by the corporate tax rate set forth in ORS 317.061. In making the apportionment under ORS 317.660 for purposes of this paragraph, the insurance sales factor shall be determined using only items attributable to the workers' compensation line of business. ORS 317.122 (2) SUNSETS 12/31/2011.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Expenses, taxes, and profit	ORS 737.320(4)	Filings of workers' compensation rates by an insurer shall specify allowances for expenses, taxes and profits.	Yes No <input type="checkbox"/> <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Answer Yes or No
Premium discounts, expense constants, minimum premium	Bulletin 92-5	Insurer must file the specific values or tables without reference to NCCI manual tables. ORS 737.320 (3) limits NCCI to filing provisions for claim payment without allowance for expenses, taxes or profit.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Retrospective rating plans	Bulletin 92-5	Insurer must file basic premium percentages, tax multipliers, expected loss ratios, expense ratio tables, and excess loss premium factors. NCCI Tables of Insurance Charges, Expected Loss Ranges, and Classifications by Hazard Group are automatically adopted by the insurer.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Ratemaking generally			
Credibility	ORS 737.310, ORS 737.320(4), OAR 836-042-0001 to 0025	1. Provide all data used and judgments made. 2. Provide description of methodology used.	Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Fees and service charges	ORS 737.310, OAR 836-042-0001 to 0025	Provide cost-accounting justification on initial filings and subsequent changes.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Loss Cost Modification	ORS 737.310, ORS 737.320(4), OAR 836-042-0001 to 0025	Loss data each year includes: Earned exposures. Incurred losses. Adjustment for current benefits. Loss development factors. Description of the methodology used to derive the loss development factors. Unallocated loss adjustment expense. Allocated loss adjustment expenses. Ultimate incurred losses and loss adjustment expenses. Trend factors. Trended ultimate incurred losses and loss adjustment expense.	Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Investment income	ORS 737.310(9), OAR 836-042-0001 to 0025	1. Cash flow method. <i>or</i> 2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium. Consideration must be given for reserving for orders or awards under ORS 656.270.	Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Answer Yes or No
Underwriting profit & contingencies	ORS 737.310, ORS 737.320(4), OAR 836-042-0001 to 0025, ORS 317.122	Oregon data for commission and brokerage.	Yes No <input type="checkbox"/> <input type="checkbox"/>
		Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	Yes No <input type="checkbox"/> <input type="checkbox"/>
		Oregon data for taxes, licenses, and fees including Workers' Compensation Division premium assessment offset.	Yes No <input type="checkbox"/> <input type="checkbox"/>
		Expense trend.	Yes No <input type="checkbox"/> <input type="checkbox"/>
		Historic experience.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Tiered rating	OAR 836-042-0025(3)	If combining tier experience overall change, provide documentation showing the allocation of the change to the individual tiers and companies.	Yes No <input type="checkbox"/> <input type="checkbox"/>