



MEMORANDUM

August 29, 2008

To: Cory Streisinger, Director, DCBS
John Shilts, Administrator, Workers' Compensation Division, DCBS

From: Chris Day, Senior Forecasting Analyst, Information Management Division, DCBS

Subject: Workers' Compensation Premium Assessment Rates Recommendation for CY 2009

Issue

In accordance with the requirements of ORS 656.612 and 656.614, the Director must establish workers' compensation premium assessment rates effective for calendar year 2009 for insurers, self-insured employers and self-insured employer groups.

The Director, in accord with ORS 656.612(5), will conduct an administrative rule making hearing on September 22, 2008, and will solicit testimony from staff and interested parties. This memo constitutes staff testimony that will be entered into the record.

Summary Recommendations

We recommend that the workers' compensation premium assessment rates in Administrative Rules 440-045-0020 and 440-045-0025 be continued at 4.6 percent for insurers, and 4.8 percent for self-insured employers and self-insured employer groups for calendar year 2009.

Background

The Premium Assessment Operating Account (PAOA) includes the following DCBS program areas that are substantially funded by the workers' compensation premium assessment rate: the Workers' Compensation Division, Workers' Compensation Board, OR-OSHA, the Ombudsman for Injured Workers, the Small Business Ombudsman and shared services supporting these activities. The primary funding mechanism for the PAOA is the annual workers' compensation premium assessment rate established by the Director in accord with ORS 656.612 and 656.614, and Oregon Administrative Rules (OAR) 440-045-0010 through 440-045-0030. The OAR 440 rules were first adopted in October 1999 as required by Senate Bill 592, which was passed during the 70th Legislative Assembly. The OAR codifies the applicable assessment rates for a calendar year. The PAOA also is funded by some fines and penalties, federal grant moneys, investment income, other miscellaneous revenues, and a transfer of funds from the Workers' Benefit Fund (WBF) to reimburse some of the administrative costs incurred by the PAOA account in the administration of WBF programs (see memorandum from Carey Thompson, dated September 12, 2001, "Administrative Cost Transfer from the Workers' Benefit Fund to the Premium Assessment Operating Account").

Rate Setting Parameters

All department rate analyses and recommendations must be accomplished within the context of the Department's Fund Balance Policy, articulated in FIN-01. For the PAOA account, the policy states that an adequate or acceptable fund balance at the end of the period for which rates and fees are set is an amount approximating six months (two quarters) to twelve months (four quarters) of expenditures and transfers. An adequate account balance should: (1) meet the cash flow needs of the account; (2) accommodate the timing of receipts and expenditures; (3) ensure stable funding for legislatively approved programs and services during uncertain economic times; and (4) minimize the volatility of fees and assessments. To accomplish the rate analysis task, a multi-year forecasted perspective is the generally accepted practice.

The recommended single and multiple year rate schedules take into account these objectives according to the following formula:

$$\text{Required Premium Assessment Rate} = \frac{\{\text{Planned and Forecasted Expenditures and Transfers} - (\text{Forecasted Investment Income} + \text{Forecasted Other Revenue})\}}{\text{Forecasted Assessable Premium Base}}$$

The formula clearly shows that finding the ratio of planned (legislatively approved) expenditures and transfers net of non-premium assessment revenue and the assessable (earned) premium base determines the required rate. In the case of the current analysis, the planned expenditures consist of the agency's 2007-09 biennium legislatively adopted budget (LAB) adjusted for the following major components: (1) adjustment to include Cost-of-Living Adjustments (COLAs) and other labor contract provisions, as well as anticipated vacancy savings; and, (2) updated expenditure forecasts for the Non-Complying Employer Program and Self-Insured Employer Adjustment Reserve. The required premium assessment rate also reflects Chapter 574, Oregon Laws 2007 (SB 183), which extends usage of the SAIF Reinsurance Pool Credit through calendar year 2011. Finally, this analysis reflects actual information from the DCBS quarterly financial statements through the period ending June 30, 2008.

Within the context of all of the various parameters discussed above, IMD has developed an analysis and recommendation for the workers' compensation premium assessment rates that should be applicable for calendar year (CY) 2009 and beyond. The results of our analysis, detailed recommendations, and assessment rate schedule considerations are discussed below.

Detailed Recommendations

A. Single-Year CY 2009 Recommendations

We recommend that the workers' compensation premium assessment rates be continued at 4.6 percent for insurers, and 4.8 percent for self-insured employers and self-insured employer groups for calendar year 2009.

B. Multiple-Year Rate Schedule Recommendation

The multiple-year recommended rate schedule is currently for continuation of the 4.6 and 4.8 percent assessment rates through CY 2010, with an increase to 5.1 percent for insurers and 5.3

percent for self-injured employers and self-insured employer groups in 2011 (see the 4.6-5.1% rate schedule in Table 2). By adopting this rate schedule, the account balance coverage ratios are consistent with the department's policy through the end of FY 2013. Naturally, whether the rate will actually remain at 4.6 percent through CY 2010 is subject to much uncertainty. This uncertainty might arise from any number of factors including, among many others, continued softness in Oregon's economy, mandated new programs funded by the premium assessment, other legislative programmatic changes that affect the workers' compensation system, or changes in insurance industry pricing behaviors. Likewise, if economic conditions improve more quickly than forecast, or expenditures are lower than forecast, the 4.6 percent rate may be extended past 2010.

If the assessment rate is continued at 4.6 percent through CY 2010 and then increased to 5.1 percent in 2011 (the 4.6-5.1% recommended rate schedule in Table 2), expenditures and transfers are projected to relate to revenues in the subsequent fiscal years by the following amounts: FY 2009, -\$9,294,535; FY 2010, -\$13,381,808; FY 2011, -\$12,052,614; FY 2012, -\$2,708,605; and, FY 2013, -\$923,319 (see Appendix 2, Net Cash Flow line). From FY 2008 to FY 2013, the fund balance is expected to decrease from \$74.7 million to about \$36.3 million. The decrease in the premium assessment operating account balance through FY 2013 allows for a gradual drawdown of the current PAOA balance and allows for a declination of the coverage ratio into the two-quarter to four-quarter fund balance coverage ratio band. A detailed discussion of the evaluated rate schedules follows.

Discussion

We examined the effects of two different assessment rate schedules (the 4.6-5.1% rate schedule noted above and 4.6-5.0%; maintain at 4.6 through CY 2009 and increase to 5.0% effective 1/1/2010) for calendar years 2009 through 2013, holding constant our assumptions about the premium assessment base, workers' compensation expenditures and other revenues. The analysis reflects the 2007-09 agency legislatively adopted budget and planned expenditures and transfers discussed previously. For 2009-11, the analysis reflects the agency request budget submitted in July 2008 and the associated policy option packages.

The workers' compensation premium forecast was developed using our premium forecasting system, which is a system of econometric models. Inputs into this system include projections of economic variables from the Department of Administrative Services' (DAS) September 1, 2008, "Oregon Economic and Revenue Forecast" (see Appendix 1 for a summary of forecast values and a brief description of the projected economic environment). We have made no modifications to the DAS economic forecast, which projects that Oregon will grow at a slightly higher rate than the U.S. economy throughout the forecast horizon.

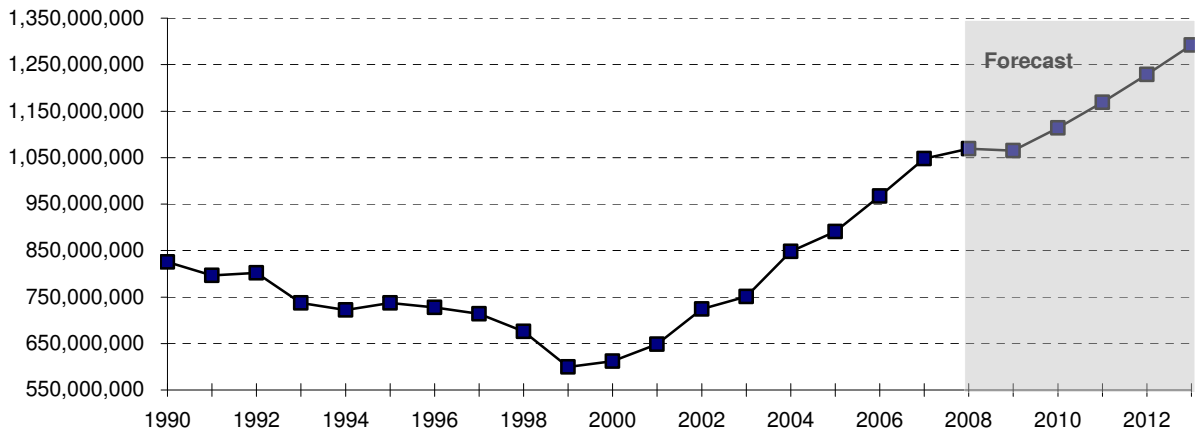
Table 1 shows the actual premium for CY 2007 together with the projected premiums for CY 2008 - CY 2013 used in examining the effects of various assessment rates (the assessable base excludes the premium types noted below the table). Figure 1 displays the actual historical earned premium as well as the forecasted earned premium.

**Table 1. Actual and Projected Workers' Compensation Premiums CY 2007– 2013
(billions of premium)**

	2007	2008	2009	2010	2011	2012	2013
Premiums*	\$1.048	\$1.069	\$1.065	\$1.114	\$1.169	\$1.229	\$1.292
Percent Change		2.00%	-0.00%	4.47%	4.60%	5.13%	5.13%

* Includes Longshoremen's and Harbor Workers' Compensation Act Premiums that are excluded from the assessable premium base. Data is expressed in terms of \$100 million of premium.

**Figure 1. Historical Actual and Forecasted
Workers' Compensation Earned Premium
CY 1990 - CY 2013**



Rate Analysis

The premium assessment operating account fund balance, including the Self-Insured Employers and Self-Insured Employers Group Adjustment Reserves, amounted to \$74,706,132 at the end of FY 2008. (The analysis relies on financial statements through the quarter ending 6-30-2008.) Table 2 and Figure 2 show the historical and projected ending balance for fiscal years FY 2008 through FY 2013 for two different rate schedules, 4.6-5.1% (staff recommendation) and 4.6-5.0%. In addition, the table shows the projected fund balance as a percent of projected expenditures. (See Appendix 2 for a summary of historical and projected fund revenues, expenditures and transfers and ending fund balances using the staff recommended assessment rate schedule.) Finally, Table 2 also displays the fund balance coverage ratios for each fiscal year. The fund balance coverage ratio is equal to the number of quarters of average expenditures and transfers covered by the ending fund balance for each fiscal year. The current adequacy standard for this account is a coverage ratio of at least two. Given the two rate schedules shown in Table 2, we are recommending the 4.6-5.1% schedule over the 4.6-5.0% schedule for the following reasons: 1) the 4.6-5.1% rate schedule allows the rate to remain unchanged for four years (through CY 2010); 2) it provides a faster draw-down of the PAOA balance; and, 3) it requires only a five-tenths percentage point increase to be at the equilibrium rate in CY 2011.

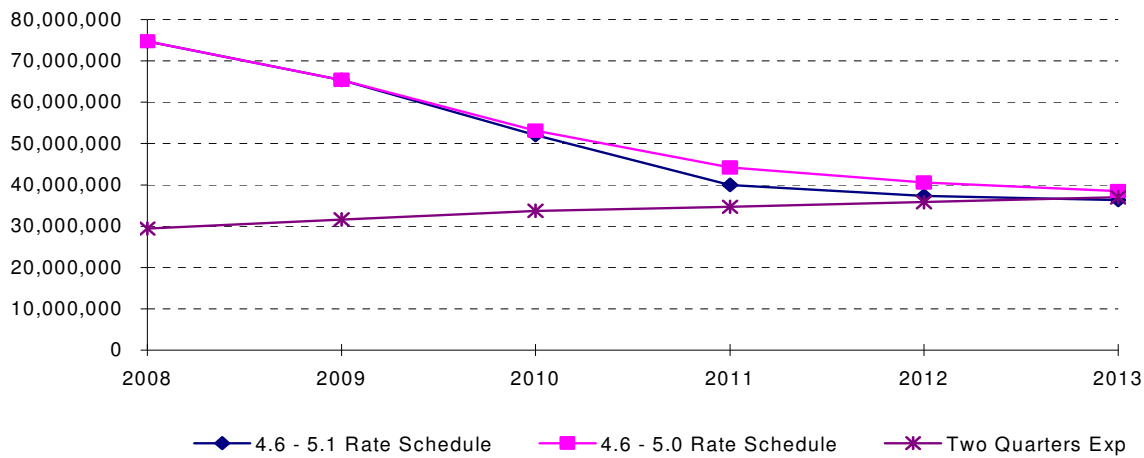
Table 2. Actual and Projected Workers' Compensation Ending Balances (000,000's)

<u>Fiscal Year</u>	<u>Ending Balance at</u> <u>4.6-5.1%</u>	<u>Percent of Expenses*</u>	<u>Coverage Ratio</u>	<u>Ending Balance at</u> <u>4.6-5.0%</u>	<u>Percent of Expenses*</u>	<u>Coverage Ratio</u>
2008	\$74.7	127.3%	5.1	\$74.7	127.3%	5.1
2009	\$65.4	103.6%	4.2	\$65.4	103.6%	4.2
2010	\$52.0	77.2%	3.1	\$53.1	78.7%	3.2
2011	\$40.0	57.5%	2.3	\$44.2	63.7%	2.6
2012	\$37.3	52.0%	2.1	\$40.5	56.6%	2.3
2013	\$36.3	49.1%	2.0	\$38.5	52.1%	2.1

* Actual ending fund balance as a percent of the annual FY expenses plus adjustments and transfers.

Appendices 3 and 4 show projected quarterly revenues and expenditures that result in the above fiscal year balances for the two assessment rate schedules.

Figure 2. Ending Fund Balances of the Premium Assessment Operating Account, FY 2008 - 2013



Self-Insured Employer and Employer Group Reserves

A. Self-Insured Employer Adjustment Reserve

On January 1, 1988, the additional assessment against self-insured employers to fund the Self-Insured Employer Adjustment Reserve (SIEAR) was discontinued. As expected, interest on the Reserve's account balance and subrogation recoveries continued to exceed expenditures, until FY 1998. The failure of Montgomery Ward occasioned a substantial increase in expenditures, and the legal dispute regarding payment performance under the terms of surety contract language contributed to substantial increases in the reserve expenditures. In FY 2000 and FY 2001, \$554,000 was recovered from the two surety companies associated with the Montgomery Ward's case and deposited into the SIEAR. Due to continued defaults by some self-insurers and an increase in Montgomery Ward's reserve exposure, the SIEAR fund balance decreased 28.7 percent from June 1998 to June 2005.

As a result of the issues discussed above, effective January 1, 2005, an additional assessment of 0.2 percent against self-insured employers to fund the Self-Insured Employer Adjustment Reserve (SIEAR) was re-instituted.

As stated in FIN-01, a fund balance approximating \$1 million is a reasonable minimum balance given the history of the reserve's long-term liability; the average liability for the past five years for the periods ending December 31st amounts to \$1,011,954 (see Exhibit A). Assuming a \$1 million liability, the reserve ratio, the ratio of estimated liabilities to fund balance would approximate a value of one. This value means that the long-term liability would be fully funded, a requirement which the department makes of all Oregon workers' compensation insurers (see for example ORS 733.050 regarding inadequate reserves). By using this minimum fund balance, reserves will be sufficient to ensure that claims obligations can be met. Hence, we recommend the SIEAR fund balance should approximate \$1 million, an amount close to the average long-term liability.

The SIEAR account balance as of June 30, 2008 was \$1,459,030. This balance increased modestly from the June 30, 2007 ending balance of \$1,341,613. We recommend that the assessment differential for self-insured employers continue at 0.2 percent. Given current revenue and expenditure forecasts, the balance should reach about \$2,113,853 by the end of FY 2013 (see Appendix 5). If current trends continue, the assessment may be able to be discontinued or lowered in future years, depending upon the experience of the reserve.

B. Self-Insured Employer Group Adjustment Reserve

The Self-Insured Employer Group Adjustment Reserve was created in 1981. The Reserve's account balance as of June 30, 2008 was \$427,107. We recommend that the assessment differential for self-insured employer groups continue at 0.2 percent. Assuming no expenditures and a constant group membership level, the balance should reach about \$853,618 by the end of FY 2013 (see Appendix 6). There is a risk that a reserve liability could emerge.

If you have any questions about this analysis and recommendations, please let me know.

cc:	Greg Malkasian	Dorothy Oliver	Kay Erickson
	Jerry Managhan	Carey Thompson	Anita Mendiola
	David Miller	Lou Savage	Gary Helmer
	Teresa Miller	Mary Schwabe	Michael Wood
	Abbie Herman	Ronni Rachele	Rae Taylor
	Lisa Morawski	Fred Bruyns	

Appendix 1

WORKERS' COMPENSATION PREMIUM FORECASTING MODEL VARIABLES AND OUTPUT

YEAR	OREGON WAGE/SAL. EMPL ¹	OREGON SERV,MFG,&CON EMPL ^{1,5}	OREGON UNEMP RATE ²	TOTAL ORE PAYROLL ¹ (millions)	OREGON ACCEPT. DISABL. CLAIMS ²	MEDICAL PRICE DEFLATOR ¹	U.S. PRIME RATE ¹	EXPENSE LOAD FACTOR ²	INCURRED WC LOSSES ³	TOTAL WC PREMIUM ⁴
1966	639,300	N/A	4.2	3,856	N/A	13.14	N/A	N/A	40,066,461	52,227,408
1967	651,000	N/A	4.8	4,050	N/A	13.80	N/A	N/A	44,637,919	57,992,632
1968	677,900	N/A	4.4	4,444	32,509	14.66	N/A	N/A	51,211,397	74,262,024
1969	707,300	N/A	4.4	4,867	35,372	15.53	N/A	N/A	68,638,052	86,896,720
1970	709,200	N/A	7.1	5,170	30,338	16.51	N/A	N/A	79,898,165	91,490,448
1971	727,200	N/A	7.6	5,601	30,663	17.42	N/A	N/A	100,741,187	113,160,816
1972	774,300	N/A	6.8	6,288	34,835	18.20	N/A	N/A	114,343,462	144,014,768
1973	816,200	N/A	6.2	7,091	36,802	18.89	N/A	N/A	138,110,717	157,091,952
1974	838,211	444,062	7.5	7,843	34,214	20.37	10.80	N/A	169,971,293	207,486,224
1975	837,276	431,309	10.6	8,428	32,172	22.42	7.86	N/A	210,514,753	233,180,848
1976	878,592	453,904	9.6	9,594	31,013	24.37	6.84	N/A	260,161,730	296,045,728
1977	936,815	485,282	7.3	10,911	38,657	26.60	6.82	N/A	314,174,602	413,593,824
1978	1,009,150	519,081	6.1	12,638	47,844	28.92	9.06	N/A	391,180,227	488,696,160
1979	1,055,890	544,065	6.7	14,369	44,697	31.20	12.67	N/A	359,256,694	525,765,664
1980	1,044,550	530,775	8.4	15,404	44,930	34.42	15.27	N/A	363,025,118	544,482,816
1981	1,018,670	510,107	9.8	16,120	37,498	38.47	18.87	N/A	292,624,701	413,999,808
1982	960,897	480,290	11.6	16,027	31,535	42.51	14.86	N/A	338,071,580	346,803,648
1983	966,562	488,317	10.9	16,684	34,037	46.01	10.79	1.120	347,580,638	345,397,376
1984	1,006,270	514,711	9.4	18,071	37,702	49.38	12.04	1.060	416,485,083	442,905,824
1985	1,029,560	528,172	8.7	18,980	38,808	51.93	9.93	1.150	468,053,644	443,916,960
1986	1,058,090	544,770	8.0	20,001	40,157	53.92	8.33	1.210	582,543,119	565,400,832
1987	1,099,550	569,581	6.3	21,430	41,033	56.32	8.20	1.224	608,498,520	676,901,568
1988	1,155,750	603,588	5.8	23,507	42,982	60.44	9.32	1.258	699,736,242	722,861,760
1989	1,203,430	632,125	5.4	25,479	39,170	65.28	10.87	1.268	733,079,879	792,314,560
1990	1,255,617	646,542	5.4	27,695	35,857	70.11	10.01	1.260	551,875,824	825,250,944
1991	1,253,545	642,031	6.4	28,962	31,479	74.34	8.46	1.264	466,347,888	796,229,056
1992	1,276,466	653,043	7.3	30,938	30,786	78.35	6.25	1.260	495,931,278	802,196,992
1993	1,317,410	680,429	6.9	32,722	30,741	81.88	6.00	1.257	497,294,134	736,940,224
1994	1,372,372	718,409	5.5	35,151	31,530	85.07	7.14	1.233	564,675,500	722,141,842
1995	1,428,114	758,220	4.9	38,112	30,564	87.96	8.83	1.241	542,785,539	737,307,449
1996	1,484,790	795,838	5.6	41,455	28,389	90.23	8.27	1.204	447,471,725	727,458,585
1997	1,536,842	830,401	5.6	44,962	27,922	92.36	8.44	1.204	495,761,809	714,065,636
1998	1,562,552	839,732	5.7	47,646	27,049	94.66	8.35	1.188	512,611,140	675,734,612
1999	1,586,039	849,473	5.5	50,672	25,802	97.09	7.99	1.162	474,804,995	599,263,850
2000	1,617,847	867,872	5.1	54,803	25,365	100.00	9.23	1.171	532,299,863	611,977,886
2001	1,605,759	858,598	6.4	55,239	24,645	103.73	6.92	1.184	592,118,417	648,358,575
2002	1,585,324	843,412	7.6	55,319	23,482	106.50	4.68	1.226	556,061,549	723,991,908
2003	1,574,411	839,807	8.1	56,558	21,832	110.31	4.12	1.250	626,681,794	750,772,993
2004	1,606,648	863,961	7.3	59,723	22,325	114.63	4.34	1.280	734,468,890	848,186,360
2005	1,654,445	895,508	6.2	63,481	22,114	118.45	6.19	1.290	677,151,429	890,619,483
2006	1,703,520	931,410	5.4	67,831	23,373	122.09	7.96	1.292	762,779,876	967,151,919
2007	1,731,804	949,599	5.2	71,912	23,433	126.01	8.05	1.300	771,502,126	1,047,859,078
2008	1,735,267	949,512	5.8	75,091	22,700	129.41	5.32	1.299	804,390,903	1,069,200,201
2009	1,740,649	954,949	6.4	77,991	22,468	134.28	5.43	1.299	849,358,400	1,064,971,705
2010	1,772,239	975,348	6.2	82,083	22,649	138.76	7.32	1.318	896,966,908	1,114,157,688
2011	1,807,042	999,606	5.7	86,595	22,949	142.46	7.75	1.332	940,265,191	1,168,938,678
2012	1,842,627	1,024,613	5.3	91,565	23,286	146.62	7.75	1.347	986,611,529	1,228,899,742
2013	1,873,748	1,045,872	5.1	96,483	23,549	151.11	7.75	1.363	1,034,732,928	1,292,186,088

1. From Department of Administrative Services' September 2008 "Oregon Economic and Revenue Forecast:"

The first half of 2008 has turned out better than feared. However, the outlook for the rest of 2008 and early 2009 is darkening, not least because of the seemingly relentless rise in commodity prices. The housing market in Oregon and the U.S. continue to work off excesses accumulated in the past housing boom. Building permits and housing starts are sharply down; even more than expected. Record oil prices remain a substantial risk and there is no question that high oil prices are a significant threat to the already soft U.S. economy. The Oregon Office of Economic Analysis (OEA) forecasts that Oregon's economy will grow at a slightly higher rate than the U.S. economy between 2008 and 2013. Even though the Oregon economy is projected to grow faster than the nation, per capita income and average wages will take some time to catch up with the national averages. Oregon's long-term growth will be fueled by a number of key factors: steady in-migration and population growth, Pacific Rim orientation, strength in the semiconductor industry, export growth and high commodity prices, continued strength in domestic markets, business cost advantages, environmental issues, affordable housing, biotechnology and clean technology, renewable energy and sustainable development, and quality of life. The major risks facing the Oregon economy are: contagion of the credit crunch and financial market instability; a further worsening of the housing market; loss of federal timber payments to Oregon counties; a major deceleration in the U.S. economy and a global downturn triggered by the U.S. slowdown; a hard landing in China, geopolitical risks, inflation and Federal Reserve Bank reactions; a sharp fall of the U.S. dollar; a sharp and major stock market correction; inflation an federal reserve bank reactions, initiatives, referendums, and referrals; and rising regional energy prices.

2. From Research and Analysis Section, Department of Consumer and Business Services, 8/2008.

3. From Research and Analysis Section, Department of Consumer and Business Services, 8/2008. Loss figures have been adjusted to reflect changes in SAI's reserving practices.

4. From Research and Analysis Section, Department Consumer and Business Services, 8/2008. Includes coverage related to the Longshore and Harbor Workers' Compensation Act and excess coverage for self-insurers.

5. Oregon Construction Employment, Oregon Service Employment, and Oregon Manufacturing Employment data experienced a break in the series beginning in CY 2003 due to the shift from SIC to NAICS.

Note: Vocational Rehabilitation coverage is included in loss and premium figures and are estimated for forecasting purposes prior to 1986.

Source: Research & Analysis Section, IMD, Department of Consumer and Business Services

Appendix 2

WORKERS' COMPENSATION PREMIUM ASSESSMENT OPERATING ACCOUNT REVENUE, EXPENDITURES, TRANSFERS, AND FUND BALANCES FISCAL YEARS 2007-2013; ACTUAL DATA THROUGH 6/30/2008 4.6% ASSESSMENT RATE EFFECTIVE 1/1/2007 AND 5.1% EFFECTIVE 1/1/2011

REVENUES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Assessments ¹	\$54,837,574	\$47,538,717	\$48,560,814	\$48,944,423	\$52,633,040	\$59,713,260	\$62,827,995
Fines and Penalties ²	1,899,910	1,732,538	1,780,000	1,830,000	1,880,000	1,940,000	2,000,000
Investment Income	3,900,346	3,638,624	2,916,537	2,631,827	2,197,700	1,871,927	1,766,924
Federal Funds ²	5,775,882	5,552,742	5,610,000	5,670,000	5,730,000	5,790,000	5,850,000
Other ²	743,516	1,879,096	578,544	583,256	585,388	587,592	589,452
SAIF Reinsurance Pool Credit ¹¹	(5,628,582)	(5,590,022)	(5,605,465)	(5,605,465)	(5,605,465)	(938,827)	0
Total	\$61,528,646	\$54,751,695	\$53,840,430	\$54,054,041	\$57,420,663	\$68,963,952	\$73,034,371
EXPENDITURES							
Administration ³	\$62,948,831	\$65,098,978	\$70,603,361	\$75,782,073	\$78,088,640	\$80,431,299	\$82,844,238
Self-Insured Empl Res. ²	359,043	363,077	363,184	368,611	371,342	374,127	376,870
Chargeback ⁶	(7,250,545)	(6,785,093)	(7,550,405)	(8,417,898)	(8,670,435)	(8,930,548)	(9,198,464)
Oregon Health Sciences University ⁴	1,699,566	1,678,823	1,751,631	1,767,785	1,800,358	1,836,751	1,871,592
Total	\$57,756,895	\$60,355,785	\$65,167,772	\$69,500,572	\$71,589,904	\$73,711,629	\$75,894,235
ADJUSTMENTS/TRANSFERS							
Non-Complying Employer ⁵	(74,314)	(1,366,604)	(1,294,164)	(1,358,475)	(1,397,110)	(1,574,417)	(1,764,933)
Insurance Division ⁷	25,354	(159,090)	(218,836)	(233,783)	(257,753)	(275,946)	(309,440)
WBF Administrative Expenses ⁹	2,301,819	3,560,481	3,705,807	3,816,981	3,931,490	4,049,435	4,170,918
BOLI Transfer ¹⁰	(138,000)	(174,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)
Contractors' Board Transfer ¹²	151,754	0	0	0	0	0	0
Misc Transfers/Adjustments ⁸	123,045	(211,355)	0	0	0	0	0
Total	2,389,658	1,649,432	2,032,807	2,064,723	2,116,628	2,039,072	1,936,545
Net Cash Flow	\$6,161,409	(\$3,954,658)	(\$9,294,535)	(\$13,381,808)	(\$12,052,614)	(\$2,708,605)	(\$923,319)
Ending Fund Balance	\$78,660,790	\$74,706,132	\$65,411,597	\$52,029,789	\$39,977,175	\$37,268,571	\$36,345,252
Balance Coverage Ratio	5.8	5.1	4.2	3.1	2.3	2.1	2.0

For the purposes of this analysis, self-insured employer reserves are included in the Premium Assessment Operating Account.
All figures are actual through quarter ending 6/30/2008

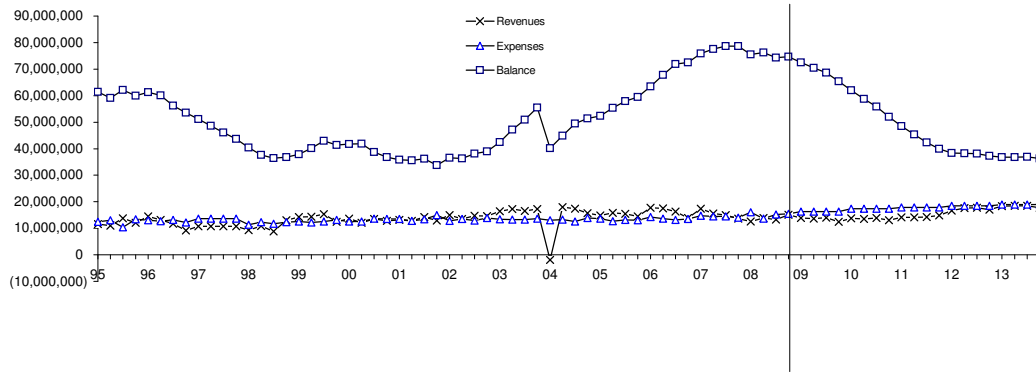
- Assessment forecasts are based on a premium assessment rate of 4.6 percent through CY 2010, and 5.1 percent effective 1/1/2011.
- Estimates are from the R&A Section, Information Management Division, Department of Consumer and Business Services, 2007-09 Legislatively Adopted Budget. In FY 2008, 'Other', includes an interest payment of \$1.2 million from the AIG settlement.
- Includes Department and Board administrative costs, expenditures of Federal funds, capital outlay, and Shared Services costs.
- Planned OHSU transfers and/or expenditures are equal to 1/16 cent per worker per hour.
- Net Non-Complying Employer expenditures are transferred to the Workers' Benefit Fund.
- Chargeback expenditures reflect Shared service chargeback recoveries, from non-PAOA account, DCBS entities. Beginning in FY 2004, chargeback expenditures also include indirect costs from the WBF.
- Transfer to Insurance Division in the first quarter of each Fiscal Year to fund workers' compensation activities.
- Miscellaneous transfers and adjustments are from actual quarterly financial statements.
- Quarterly transfer from the WBF to the PAOA to cover direct administrative costs associated with WBF programs.
- Quarterly transfer to the Bureau of Labor and Industries. This was included in Administration expenditures prior to FY 2002.
- Annual premium assessment credit for SAIF from CY 2004 through CY 2011, in accordance with HB 3630.
- Transfer from Construction Contractors' Board for expenses related to the Interagency Agreement for the implementation of HB 2078.

Column detail may not add to totals due to rounding.

Source: Information Management Division, Department of Consumer and Business Services, 8/2008.

Appendix 3

WORKERS' COMPENSATION PREMIUM ASSESSMENT OPERATING ACCOUNT REVENUES, EXPENSES, TRANSFERS, AND FUND BALANCES ¹ FISCAL YEARS 1995-2013; ACTUAL DATA THROUGH 6/30/2008 4.6% ASSESSMENT RATE EFFECTIVE 1/1/2007 and 5.1% ASSESSMENT RATE EFFECTIVE 1/1/2011



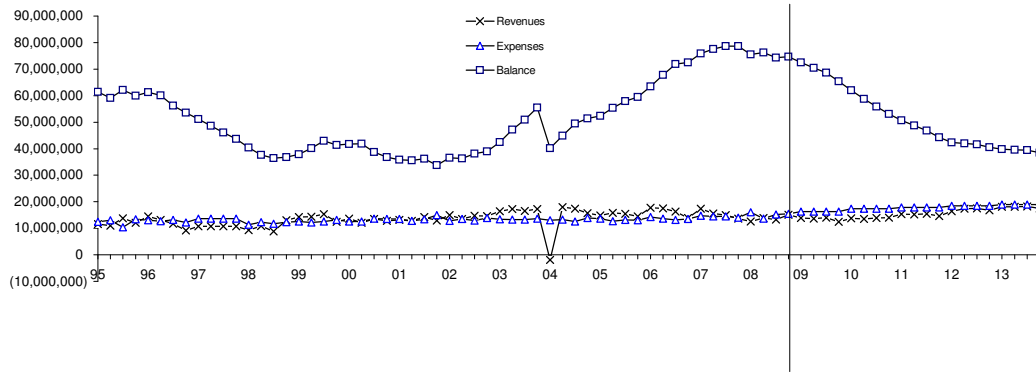
Period Ending	Assessment Income ^{2,6}	Investment Income	Total Revenue ³	Expenses ⁴	Excess (Deficit)	Transfers/ Adjustments ⁵	Ending Fund Balance	Coverage Ratio
FY 1995	\$31,571,670	\$5,707,304	\$48,381,633	\$49,228,966	(\$847,333)	(\$1,739,550)	\$59,952,740	4.2
FY 1996	\$32,092,873	\$7,237,983	\$48,405,210	\$51,127,124	(\$2,721,914)	(\$3,600,679)	\$53,630,147	4.6
FY 1997	\$31,538,968	\$4,286,546	\$43,018,801	\$54,733,305	(\$11,714,504)	\$1,727,719	\$43,643,362	3.3
FY 1999	\$46,943,507	\$2,120,008	\$56,312,301	\$50,469,892	\$5,842,409	(\$1,319,838)	\$41,336,225	2.9
FY 2000	\$42,293,900	\$2,333,324	\$52,007,780	\$52,181,605	(\$173,825)	(\$4,376,597)	\$36,785,803	3.5
FY 2001	\$42,858,965	\$3,321,962	\$53,264,500	\$54,690,884	(\$1,426,384)	(\$1,575,895)	\$33,783,524	2.2
FY 2002	\$48,738,305	\$1,559,872	\$57,824,518	\$53,228,803	\$4,595,715	\$651,447	\$39,030,686	2.9
FY 2003	\$58,239,386	\$1,538,278	\$67,570,319	\$53,639,597	\$13,930,722	\$2,544,779	\$55,506,187	4.4
FY 2004	\$58,513,903	\$1,842,440	\$49,028,464	\$52,636,037	(\$3,607,573)	(\$514,930)	\$51,383,684	3.7
FY 2005	\$55,236,669	\$2,319,655	\$60,581,274	\$52,618,446	\$7,962,828	\$145,997	\$59,492,509	4.6
FY 2006	\$59,116,776	\$3,164,161	\$65,454,458	\$54,660,885	\$10,793,573	\$2,213,299	\$72,499,381	5.4
09/30/06	15,793,349	1,034,594	17,360,747	14,688,076	2,672,671	671,953	75,844,005	5.4
12/31/06	13,943,608	922,065	15,570,855	14,509,286	1,061,569	702,852	77,608,426	5.6
03/31/07	13,296,483	1,050,343	14,994,200	14,545,568	448,632	636,339	78,693,397	5.7
06/30/07	11,804,134	893,344	13,602,844	14,013,965	(411,121)	378,514	78,660,790	5.8
FY 2007	\$54,837,574	\$3,900,346	\$61,528,646	\$57,756,895	\$3,771,751	\$2,389,658	\$78,660,790	5.8
09/30/07	11,323,875	820,402	12,550,150	15,997,953	(3,447,803)	329,826	75,542,813	4.8
12/31/07	11,956,305	1,048,322	13,870,220	13,694,440	175,780	562,729	76,281,322	5.8
03/31/08	11,869,379	808,743	13,232,963	15,269,848	(2,036,885)	38,223	74,282,660	4.9
06/30/08	12,389,158	961,157	15,098,362	15,393,544	(295,182)	718,654	74,706,132	5.1
FY 2008	47,538,717	3,638,624	54,751,695	60,355,785	(5,604,090)	1,649,432	74,706,132	5.1
09/30/08	12,278,648	967,855	13,837,273	16,292,510	(2,455,237)	244,318	72,495,213	4.5
12/31/08	12,487,131	520,269	13,598,170	16,291,725	(2,693,555)	634,099	70,435,757	4.5
03/31/09	12,450,482	930,450	13,971,702	16,290,772	(2,319,070)	577,195	68,693,882	4.4
06/30/09	11,344,552	497,963	12,433,285	16,292,765	(3,859,480)	577,195	65,411,596	4.2
FY 2009	48,560,814	2,916,537	53,840,430	65,167,772	(11,327,342)	2,032,807	65,411,596	4.2
09/30/09	12,229,220	881,852	13,730,520	17,372,127	(3,641,607)	235,238	62,005,227	3.6
12/31/09	12,436,862	441,386	13,497,696	17,373,792	(3,876,096)	649,988	58,779,119	3.5
03/31/10	12,400,362	821,361	13,841,171	17,375,850	(3,534,679)	589,748	55,834,188	3.3
06/30/10	11,877,979	487,228	12,984,654	17,378,802	(4,394,148)	589,748	52,029,788	3.1
FY 2010	48,944,423	2,631,827	54,054,041	69,500,572	(15,446,530)	2,064,723	52,029,788	3.1
09/30/10	12,804,245	714,345	14,166,071	17,894,350	(3,728,279)	224,045	48,525,555	2.7
12/31/10	13,021,651	439,821	14,108,953	17,896,166	(3,787,213)	673,375	45,411,718	2.6
03/31/11	12,983,434	642,143	14,273,058	17,898,203	(3,625,145)	609,603	42,396,176	2.5
06/30/11	13,823,710	401,391	14,872,581	17,901,186	(3,028,605)	609,603	39,977,175	2.3
FY 2011	52,633,040	2,197,700	57,420,663	71,589,904	(14,169,241)	2,116,628	39,977,175	2.3
09/30/11	14,902,395	576,595	16,619,560	18,424,177	(1,804,617)	184,457	38,357,015	2.1
12/31/11	15,155,576	373,963	17,608,937	18,426,635	(817,698)	663,212	38,202,529	2.2
03/31/12	15,111,070	547,526	17,737,994	18,428,914	(690,920)	595,701	38,107,311	2.1
06/30/12	14,544,219	373,843	16,997,461	18,431,902	(1,434,442)	595,701	37,268,570	2.1
FY 2012	59,713,260	1,871,927	68,963,952	73,711,629	(4,747,677)	2,039,072	37,268,570	2.1
09/30/12	15,679,127	534,877	18,323,867	18,970,343	(646,475)	126,766	36,748,861	2.0
12/31/12	15,945,505	356,023	18,411,391	18,972,432	(561,040)	650,905	36,838,727	2.0
03/31/13	15,898,680	515,412	18,523,955	18,974,426	(450,471)	579,437	36,967,692	2.0
06/30/13	15,304,683	360,611	17,775,157	18,977,035	(1,201,878)	579,437	36,345,251	2.0
FY 2013	62,827,995	1,766,924	73,034,371	75,894,235	(2,859,864)	1,936,545	36,345,251	2.0

- Includes WC Division, WC Board, OR-OSHA, Shared Services, and Self-Insured Employer Adjustment Reserves.
- Premium forecasts are based on WC Premium Forecasting Model run 6/2004. Data reflect premium assessment rates of 16.8% from 7/1/82 to 12/31/85, 12.0% during CY 86, 7.0% during CY 87, 5.5% during CY 88 and CY 89, 4.5% during the period CY 90 - CY 97, 7.3% from CY 98 - CY 2001, 8.0% from CY 2002 - CY 2003, 7.0% from CY 2004, 6.8% for CY 2005, 5.5% for CY 2006, and 4.6% for CY 2007 - CY 2010, and 5.1% effective CY 2011 - CY 2013.
- Includes NCE recoveries, fines & forfeitures, Federal funds and other Rehab revenues through 12/31/95. Also includes a financial statement accrual of negative revenue in the first quarter of FY 2004, amounting to \$18.5 million, for the transfer to the General Fund in accordance with HB 2148 and HB 5077 passed during the 2003 legislative session.
- Includes expenses, capital outlay, and transfers to the Insurance Division and the Bureau of Labor and Industries (BOLI) and the Insurance Division. Projected account incremental chargeback revenue is included starting FY 95. The expenditures for 2008 and 2009 are based on the 2007-09 Legislatively Adopted Budget. Expenditures for 2010 and 2011 are consistent with the 2009-11 Agency Request Budget. Expenditures for 2012 and 2013 are escalated at three percent per annum.
- Transfers through 3/31/95 include 1/2 cent per worker per day to OHSU, beginning in the fourth quarter of CY 87, retroactive to 1/1/87. As of 6/30/95 the transfer to OHSU equals 1/16 cents-per-hour equivalent revenue. As of 1/1/96, two quarters of expenditures for the NCE and Rehab plus quarterly net expenditures for these reserves was transferred to the Workers' Benefit Fund. Effective 7/1/2001, there is a quarterly transfer from the WBF to the PAOA to cover direct administrative costs associated with WBF programs.
- The actual and forecasted premium assessment rates are as follows:

2007 = 0.046 2008 = 0.046 2009 = 0.046 2010 = 0.046
2011 = 0.051 2012 = 0.051 2013 = 0.051

Appendix 4

WORKERS' COMPENSATION PREMIUM ASSESSMENT OPERATING ACCOUNT REVENUES, EXPENSES, TRANSFERS, AND FUND BALANCES ¹ FISCAL YEARS 1995-2013; ACTUAL DATA THROUGH 6/30/2008 4.6% ASSESSMENT RATE EFFECTIVE 1/1/2007 and 5.0% ASSESSMENT RATE EFFECTIVE 1/1/2010



Period Ending	Assessment Income ^{2,6}	Investment Income	Total Revenue ³	Expenses ⁴	Excess (Deficit)	Transfers/ Adjustments ⁵	Ending Fund Balance	Coverage Ratio
FY 1995	\$31,571,670	\$5,707,304	\$48,381,633	\$49,228,966	(\$847,333)	(\$1,739,550)	\$59,952,740	4.2
FY 1996	\$32,092,873	\$7,237,983	\$48,405,210	\$51,127,124	(\$2,721,914)	(\$3,600,679)	\$53,630,147	4.6
FY 1997	\$31,538,968	\$4,286,546	\$43,018,801	\$54,733,305	(\$11,714,504)	\$1,727,719	\$43,643,362	3.3
FY 1999	\$46,943,507	\$2,120,008	\$56,312,301	\$50,469,892	\$5,842,409	(\$1,319,838)	\$41,336,225	2.9
FY 2000	\$42,293,900	\$2,333,324	\$52,007,780	\$52,181,605	(\$173,825)	(\$4,376,597)	\$36,785,803	3.5
FY 2001	\$42,858,965	\$3,321,962	\$53,264,500	\$54,690,884	(\$1,426,384)	(\$1,575,895)	\$33,783,524	2.2
FY 2002	\$48,738,305	\$1,559,872	\$57,824,518	\$53,228,803	\$4,595,715	\$651,447	\$39,030,686	2.9
FY 2003	\$58,239,386	\$1,538,278	\$67,570,319	\$53,639,597	\$13,930,722	\$2,544,779	\$55,506,187	4.4
FY 2004	\$58,513,903	\$1,842,440	\$49,028,464	\$52,636,037	(\$3,607,573)	(\$514,930)	\$51,383,684	3.7
FY 2005	\$55,236,669	\$2,319,655	\$60,581,274	\$52,618,446	\$7,962,828	\$145,997	\$59,492,509	4.6
FY 2006	\$59,116,776	\$3,164,161	\$65,454,458	\$54,660,885	\$10,793,573	\$2,213,299	\$72,499,381	5.4
09/30/06	15,793,349	1,034,594	17,360,747	14,688,076	2,672,671	671,953	75,844,005	5.4
12/31/06	13,943,608	922,065	15,570,855	14,509,286	1,061,569	702,852	77,608,426	5.6
03/31/07	13,296,483	1,050,343	14,994,200	14,545,568	448,632	636,339	78,693,397	5.7
06/30/07	11,804,134	893,344	13,602,844	14,013,965	(411,121)	378,514	78,660,790	5.8
FY 2007	\$54,837,574	\$3,900,346	\$61,528,646	\$57,756,895	\$3,771,751	\$2,389,658	\$78,660,790	5.8
09/30/07	11,323,875	820,402	12,550,150	15,997,953	(3,447,803)	329,826	75,542,813	4.8
12/31/07	11,956,305	1,048,322	13,870,220	13,694,440	175,780	562,729	76,281,322	5.8
03/31/08	11,869,379	808,743	13,232,963	15,269,848	(2,036,885)	38,223	74,282,660	4.9
06/30/08	12,389,158	961,157	15,098,362	15,393,544	(295,182)	718,654	74,706,132	5.1
FY 2008	47,538,717	3,638,624	54,751,695	60,355,785	(5,604,090)	1,649,432	74,706,132	5.1
09/30/08	12,278,648	967,855	13,837,273	16,292,510	(2,455,237)	244,318	72,495,213	4.5
12/31/08	12,487,131	520,269	13,598,170	16,291,725	(2,693,555)	634,099	70,435,757	4.5
03/31/09	12,450,482	930,450	13,971,702	16,290,772	(2,319,070)	577,195	68,693,882	4.4
06/30/09	11,344,552	497,963	12,433,285	16,292,765	(3,859,480)	577,195	65,411,596	4.2
FY 2009	48,560,814	2,916,537	53,840,430	65,167,772	(11,327,342)	2,032,807	65,411,596	4.2
09/30/09	12,229,220	881,852	13,730,520	17,372,127	(3,641,607)	235,238	62,005,227	3.6
12/31/09	12,436,862	441,386	13,497,696	17,373,792	(3,876,096)	649,988	58,779,119	3.5
03/31/10	12,400,362	821,361	13,841,171	17,375,850	(3,534,679)	589,748	55,834,188	3.3
06/30/10	12,907,952	487,228	14,014,627	17,378,802	(3,364,175)	589,748	53,059,761	3.2
FY 2010	49,974,396	2,631,827	55,084,014	69,500,572	(14,416,557)	2,064,723	53,059,761	3.2
09/30/10	13,915,060	728,735	15,291,276	17,894,350	(2,603,074)	224,045	50,680,733	2.9
12/31/10	14,151,441	459,260	15,258,182	17,896,166	(2,637,984)	673,375	48,716,124	2.8
03/31/11	14,109,889	689,043	15,446,412	17,898,203	(2,451,791)	609,603	46,873,937	2.7
06/30/11	13,553,385	443,443	14,644,308	17,901,186	(3,256,878)	609,603	44,226,663	2.6
FY 2011	55,729,774	2,320,481	60,640,178	71,589,904	(10,949,726)	2,116,628	44,226,663	2.6
09/30/11	14,610,852	638,745	16,390,167	18,424,177	(2,034,010)	184,457	42,377,110	2.3
12/31/11	14,859,053	412,757	17,351,208	18,426,635	(1,075,427)	663,212	41,964,895	2.4
03/31/12	14,815,423	602,875	17,497,696	18,428,914	(931,219)	595,701	41,629,378	2.3
06/30/12	14,259,849	407,349	16,746,596	18,431,902	(1,685,307)	595,701	40,539,773	2.3
FY 2012	58,545,176	2,061,726	67,985,667	73,711,629	(5,725,962)	2,039,072	40,539,773	2.3
09/30/12	15,372,437	583,923	18,066,222	18,970,343	(904,120)	126,766	39,762,419	2.1
12/31/12	15,633,576	384,875	18,128,314	18,972,432	(844,118)	650,905	39,569,207	2.2
03/31/13	15,587,671	554,669	18,252,203	18,974,426	(722,223)	579,437	39,426,420	2.1
06/30/13	15,005,488	383,581	17,498,932	18,977,035	(1,478,103)	579,437	38,527,754	2.1
FY 2013	61,599,171	1,907,048	71,945,671	75,894,235	(3,948,564)	1,936,545	38,527,754	2.1

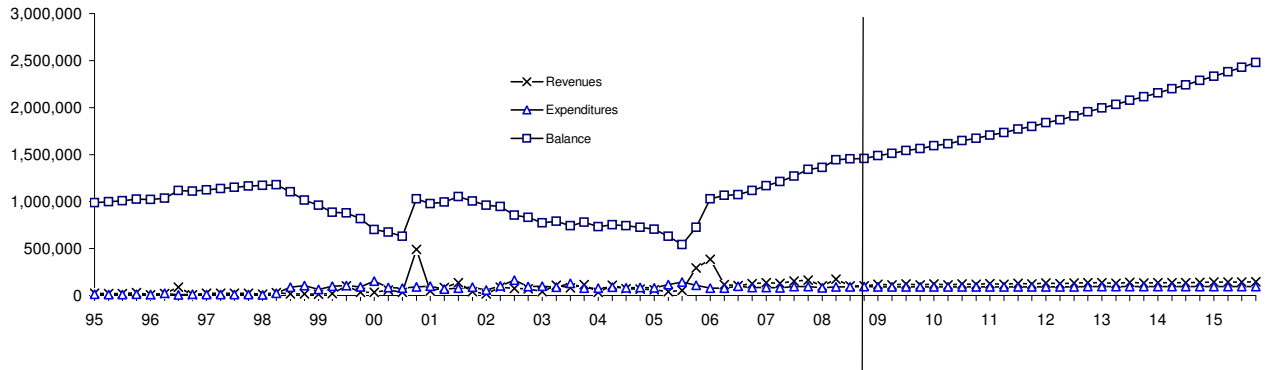
- Includes WC Division, WC Board, OR-OSHA, Shared Services, and Self-Insured Employer Adjustment Reserves.
- Premium forecasts are based on WC Premium Forecasting Model run 6/2004. Data reflect premium assessment rates of 16.8% from 7/1/82 to 12/31/85, 12.0% during CY 86, 7.0% during CY 87, 5.5% during CY 88 and CY 89, 4.5% during the period CY 90 - CY 97, 7.3% from CY 98 - CY 2001, 8.0% from CY 2002 - CY 2003, 7.0% from CY 2004, 6.8% for CY 2005, 5.5% for CY 2006, and 4.6% for CY 2007 - CY 2009, and 5.0% effective CY 2010 - CY 2013.
- Includes NCE recoveries, fines & forfeitures, Federal funds and other Rehab revenues through 12/31/95. Also includes a financial statement accrual of negative revenue in the first quarter of FY 2004, amounting to \$18.5 million, for the transfer to the General Fund in accordance with HB 2148 and HB 5077 passed during the 2003 legislative session.
- Includes expenses, capital outlay, and transfers to the Insurance Division and the Bureau of Labor and Industries (BOLI) and the Insurance Division. Projected account incremental chargeback revenue is included starting FY 95. The expenditures for 2008 and 2009 are based on the 2007-09 Legislatively Adopted Budget. Expenditures for 2010 and 2011 are consistent with the 2009-11 Agency Request Budget. Expenditures for 2012 and 2013 are escalated at three percent per annum.
- Transfers through 3/31/95 include 1/2 cent per worker per day to OHSU, beginning in the fourth quarter of CY 87, retroactive to 1/1/87. As of 6/30/95 the transfer to OHSU equals 1/16 cents-per-hour equivalent revenue. As of 1/1/96, two quarters of expenditures for the NCE and Rehab plus quarterly net expenditures for these reserves was transferred to the Workers' Benefit Fund. Effective 7/1/2001, there is a quarterly transfer from the WBF to the PAOA to cover direct administrative costs associated with WBF programs.
- The actual and forecasted premium assessment rates are as follows:

2007 = 0.046	2008 = 0.046	2009 = 0.046	2010 = 0.05
2011 = 0.05	2012 = 0.05	2013 = 0.05	

Note: All data subject to revision.
Source: Research and Analysis Section, Oregon Department of Consumer and Business Services

Appendix 5

SELF-INSURED EMPLOYER ADJUSTMENT RESERVE REVENUES, EXPENSES, AND FUND BALANCES FISCAL YEARS 1995-2013; ACTUAL DATA THROUGH 6/30/2008

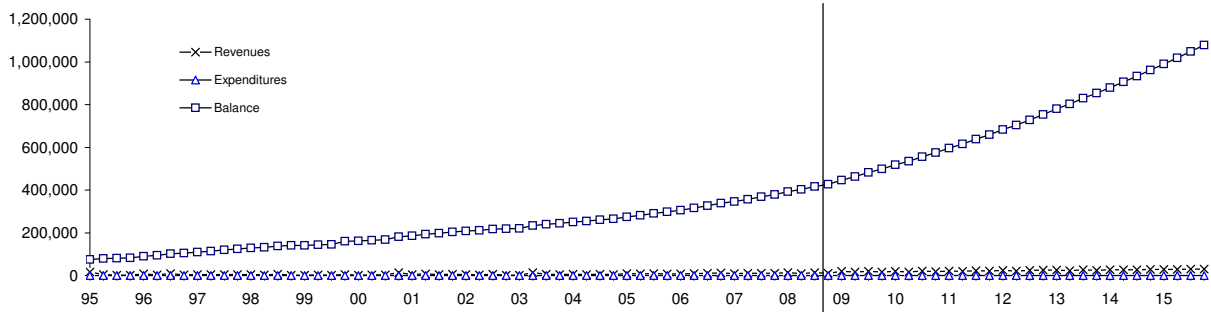


Period Ending	Revenue	Investment Income	Total Revenue	Expenses	Excess (Deficit)	Transfers/ Adjustments	Ending Fund Balance	Coverage Ratio
FY 1995	\$15,713	\$76,920	\$92,633	\$45,776	\$46,857	\$0	\$1,025,098	74.4
FY 1996	\$61,075	\$64,942	\$126,017	\$53,276	\$72,741	\$13,678	\$1,111,517	89.3
FY 1997	\$4,169	\$86,558	\$90,727	\$36,894	\$53,833	\$0	\$1,165,350	126.3
FY 1998	\$10,484	\$67,805	\$78,289	\$228,347	(\$150,058)	\$0	\$1,015,292	9.5
FY 1999	\$116,832	\$51,175	\$168,007	\$364,667	(\$196,660)	\$0	\$818,632	8.8
FY 2000	\$576,927	\$41,097	\$618,024	\$408,765	\$209,259	\$0	\$1,027,891	11.1
FY 2001	\$240,099	\$67,256	\$307,355	\$331,857	(\$24,502)	\$0	\$1,003,389	11.2
FY 2002	\$206,443	\$43,970	\$250,413	\$422,455	(\$172,042)	\$0	\$831,347	8.7
FY 2003	\$321,290	\$24,128	\$345,418	\$397,965	(\$52,547)	\$0	\$778,800	9.8
FY 2004	\$259,709	\$22,217	\$281,926	\$335,728	(\$53,802)	\$0	\$724,998	8.6
FY 2005	\$428,547	\$20,314	\$448,861	\$449,938	(\$1,077)	\$0	\$723,921	6.6
FY 2006	\$682,594	\$49,200	\$731,794	\$339,803	\$391,991	\$0	\$1,115,912	13.2
09/30/06	128,214	8,658	136,872	85,031	51,841	0	1,167,753	13.7
12/31/06	114,803	13,815	128,618	83,327	45,291	0	1,213,044	14.6
03/31/07	141,172	13,359	154,531	96,855	57,676	0	1,270,720	13.1
06/30/07	149,396	15,327	164,723	93,830	70,893	0	1,341,613	14.3
FY 2007	\$533,585	\$51,159	\$584,744	\$359,043	\$225,701	\$0	\$1,341,613	14.3
09/30/07	86,447	16,372	102,819	82,475	20,344	0	1,361,957	16.5
12/31/07	157,513	15,575	173,088	91,470	81,618	0	1,443,575	15.8
03/31/08	75,744	26,975	102,719	92,138	10,581	0	1,454,156	15.8
06/30/08	90,430	11,438	101,868	96,994	4,874	0	1,459,030	15.0
FY 2008	\$410,134	\$70,360	\$480,494	\$363,077	\$117,417	\$0	\$1,459,030	15.0
09/30/08	101,498	18,902	120,401	90,400	30,000	0	1,489,030	16.5
12/31/08	101,498	10,686	112,185	90,400	21,784	0	1,510,815	16.7
03/31/09	101,498	19,958	121,456	90,400	31,056	0	1,541,870	17.1
06/30/09	101,652	11,177	112,829	91,983	20,845	0	1,562,716	17.0
FY 2009	\$406,147	\$60,723	\$466,870	\$363,184	\$103,686	\$0	\$1,562,716	17.0
09/30/09	101,652	21,068	122,720	91,983	30,736	0	1,593,452	17.3
12/31/09	101,652	11,343	112,995	91,983	21,011	0	1,614,463	17.6
03/31/10	101,652	22,560	124,212	91,983	32,228	0	1,646,692	17.9
06/30/10	103,994	14,370	118,363	92,662	25,702	0	1,672,394	18.0
FY 2010	\$408,949	\$69,341	\$478,289	\$368,611	\$109,678	\$0	\$1,672,394	18.0
09/30/10	103,994	22,961	126,955	92,662	34,293	0	1,706,687	18.4
12/31/10	103,994	15,469	119,463	92,662	26,801	0	1,733,488	18.7
03/31/11	103,994	24,512	128,506	92,662	35,844	0	1,769,332	19.1
06/30/11	106,706	16,751	123,457	93,357	30,101	0	1,799,433	19.3
FY 2011	\$418,687	\$79,694	\$498,381	\$371,342	\$127,039	\$0	\$1,799,433	19.3
09/30/11	106,706	25,953	132,659	93,357	39,303	0	1,838,736	19.7
12/31/11	106,706	17,927	124,633	93,357	31,276	0	1,870,012	20.0
03/31/12	106,706	26,801	133,507	93,357	40,151	0	1,910,163	20.5
06/30/12	109,636	27,377	137,013	94,057	42,956	0	1,953,119	20.8
FY 2012	\$429,754	\$98,058	\$527,812	\$374,127	\$153,686	\$0	\$1,953,119	20.8
09/30/12	109,636	28,031	137,667	94,057	43,610	0	1,996,729	21.2
12/31/12	109,636	19,344	128,981	94,057	34,924	0	2,031,653	21.6
03/31/13	109,636	28,425	138,061	94,057	44,004	0	2,075,657	22.1
06/30/13	112,648	20,248	132,895	94,698	38,197	0	2,113,853	22.3
FY 2013	\$441,556	\$96,048	\$537,604	\$376,870	\$160,735	\$0	\$2,113,853	22.3

1. Revenues received for this program are from quarterly reimbursements from the Retroactive Program. and from the 0.2 assessment rate differential paid by Self-Insured Employers.
2. Expenditure forecasts are from WCD Compliance management staff.

Appendix 6

SELF-INSURED EMPLOYER GROUP ADJUSTMENT RESERVE REVENUES, EXPENSES, AND FUND BALANCES FISCAL YEARS 1995-2013; ACTUAL DATA THROUGH 6/30/2008



Period Ending	Revenue	Investment Income	Total Revenue	Expenses	Excess (Deficit)	Transfers/ Adjustments	Ending Fund Balance	Coverage Ratio
FY 1995	\$17,971	\$5,489	\$23,460	\$0	\$23,460	\$0	\$82,489	N/A
FY 1996	\$15,604	\$5,706	\$21,310	\$0	\$21,310	\$1,118	\$104,917	N/A
FY 1997	\$12,546	\$6,483	\$19,029	\$0	\$19,029	\$0	\$123,946	N/A
FY 1998	\$8,691	\$7,705	\$16,396	\$0	\$16,396	\$0	\$140,342	N/A
FY 1999	\$2,482	\$7,614	\$10,096	\$0	\$10,096	\$9,808	\$160,246	N/A
FY 2000	\$11,624	\$10,030	\$21,654	\$0	\$21,654	\$0	\$181,900	N/A
FY 2001	\$8,389	\$12,913	\$21,302	\$0	\$21,302	\$0	\$203,202	N/A
FY 2002	\$5,936	\$9,881	\$15,817	\$0	\$15,817	\$0	\$219,019	N/A
FY 2003	\$18,436	\$7,013	\$25,449	\$0	\$25,449	\$0	\$244,468	N/A
FY 2004	\$13,072	\$7,593	\$20,665	\$0	\$20,665	\$0	\$265,133	N/A
FY 2005	\$24,658	\$8,878	\$33,536	\$0	\$33,536	\$0	\$298,669	N/A
FY 2006	\$24,566	\$15,189	\$39,755	\$0	\$39,755	\$0	\$338,424	N/A
09/30/06	5,390	2,858	8,248	0	8,248	0	346,672	N/A
12/31/06	6,387	4,102	10,489	0	10,489	0	357,161	N/A
03/31/07	7,170	3,913	11,083	0	11,083	0	368,244	N/A
06/30/07	6,377	4,467	10,844	0	10,844	0	379,088	N/A
FY 2007	\$25,324	\$15,340	\$40,664	\$0	\$40,664	\$0	\$379,088	N/A
09/30/07	9,306	4,631	13,937	0	13,937	0	393,025	N/A
12/31/07	5,474	3,870	9,344	0	9,344	0	402,369	N/A
03/31/08	6,298	7,659	13,957	0	13,957	0	416,326	N/A
06/30/08	7,525	3,256	10,781	0	10,781	0	427,107	N/A
FY 2008	\$28,603	\$19,416	\$48,019	\$0	\$48,019	\$0	\$427,107	N/A
09/30/08	13,256	5,533	18,789	0	18,789	0	445,896	N/A
12/31/08	13,256	3,200	16,456	0	16,456	0	462,352	N/A
03/31/09	13,256	6,108	19,363	0	19,363	0	481,715	N/A
06/30/09	13,203	3,492	16,695	0	16,695	0	498,410	N/A
FY 2009	\$52,970	\$18,333	\$71,303	\$0	\$71,303	\$0	\$498,410	N/A
09/30/09	13,203	6,719	19,922	0	19,922	0	518,332	N/A
12/31/09	13,203	3,690	16,892	0	16,892	0	535,224	N/A
03/31/10	13,203	7,479	20,682	0	20,682	0	555,906	N/A
06/30/10	13,821	4,851	18,672	0	18,672	0	574,578	N/A
FY 2010	\$53,429	\$22,739	\$76,168	\$0	\$76,168	\$0	\$574,578	N/A
09/30/10	13,821	7,889	21,710	0	21,710	0	596,288	N/A
12/31/10	13,821	5,405	19,226	0	19,226	0	615,513	N/A
03/31/11	13,821	8,704	22,525	0	22,525	0	638,038	N/A
06/30/11	14,510	6,041	20,551	0	20,551	0	658,589	N/A
FY 2011	\$55,973	\$28,038	\$84,011	\$0	\$84,011	\$0	\$658,589	N/A
09/30/11	14,510	9,499	24,009	0	24,009	0	682,597	N/A
12/31/11	14,510	6,655	21,165	0	21,165	0	703,762	N/A
03/31/12	14,510	10,086	24,596	0	24,596	0	728,358	N/A
06/30/12	15,264	10,439	25,703	0	25,703	0	754,061	N/A
FY 2012	\$58,793	\$36,679	\$95,472	\$0	\$95,472	\$0	\$754,061	N/A
09/30/12	15,264	10,822	26,086	0	26,086	0	780,147	N/A
12/31/12	15,264	7,558	22,822	0	22,822	0	802,969	N/A
03/31/13	15,264	11,234	26,498	0	26,498	0	829,467	N/A
06/30/13	16,059	8,091	24,151	0	24,151	0	853,618	N/A
FY 2013	\$61,851	\$37,706	\$99,556	\$0	\$99,556	\$0	\$853,618	N/A

1. Revenues received for this program are from the 0.2 assessment rate differential paid by Self-Insured Employer Groups.
Current projections are calculated as 0.2 percent of the current self-insurer group premium forecast.

2. There are currently no expenditures for this program.

3. There are currently six Self-Insured employer groups with a combined total of over 1000 employers; including cities, counties, special districts, contractors groups, Oregon Educators, and Oregon Operators.

Exhibit A

Self-Insured Employer Adjustment Reserve Valuations

