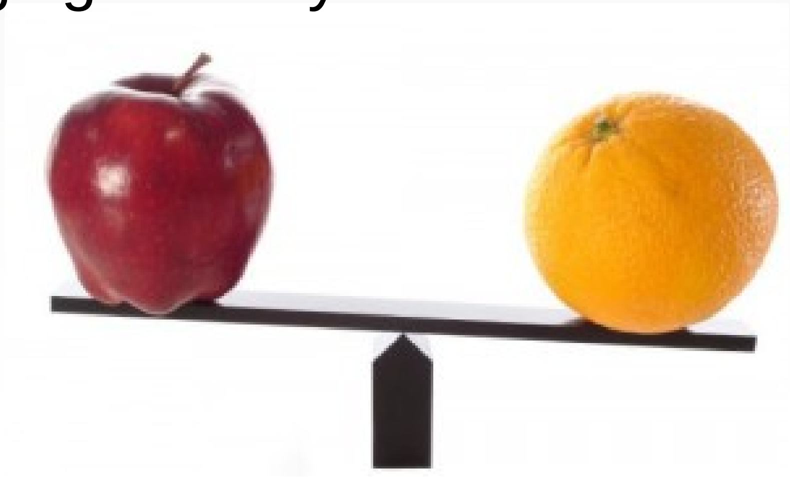
Oregon’s Rate Ranking Study

- The study is done every even-numbered year since 1986 andseeks to answer the question, “**What would be the average premium rate be if Oregon had [some other state’s] rates?**
- The rates shows have been calculated according to:
  - 50 classifications most important to the Oregon economy representing 68% of the payroll
  - All states are asked to provide their equivalent premium rates for those classifications
  - An index based on Oregon payroll weights is then created to then normalize the rates for comparison purposes

British Columbia has participated in this study since 2010

Simple average rate comparisons don't work

Since no two jurisdiction have the same industrial mix, comparing averages can be misleading. What this study does is normalize all jurisdictions by assigning the Oregon industry mix to all participating jurisdictions. For example, banking and insurance might have a rate of $0.15 and logging has a rate of $9.00. If one jurisdiction has a huge banking and insurance industry and a small logging industry it would have a low average rate, compared to another jurisdiction with a small banking and insurance industry and very large logging industry.

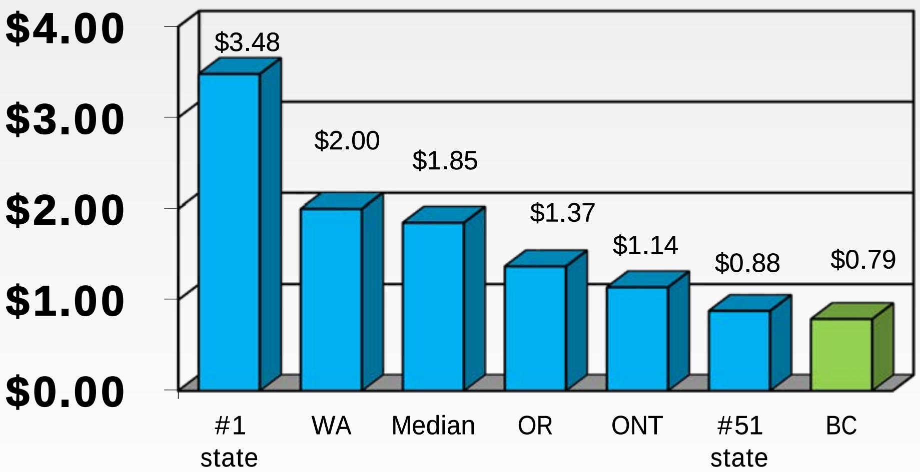


The 2014 vs 2012 Oregon Study

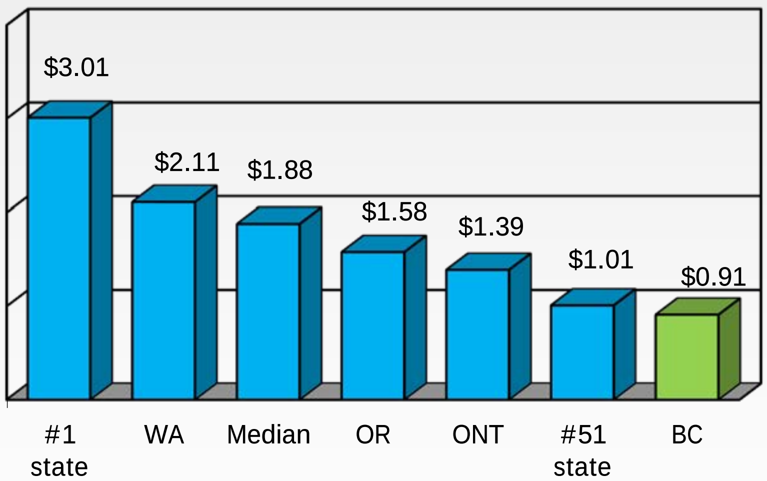
If every US state and BC, and Ontario had Oregon's industrial mix.

Range of Index Values

2014

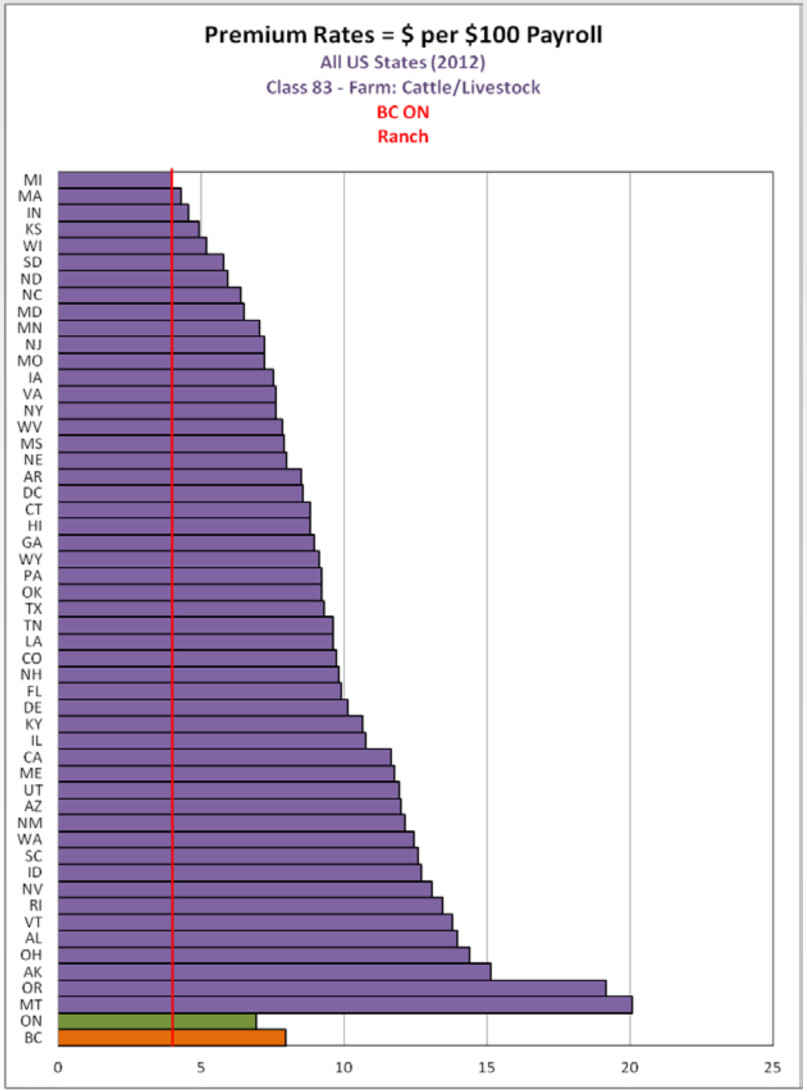


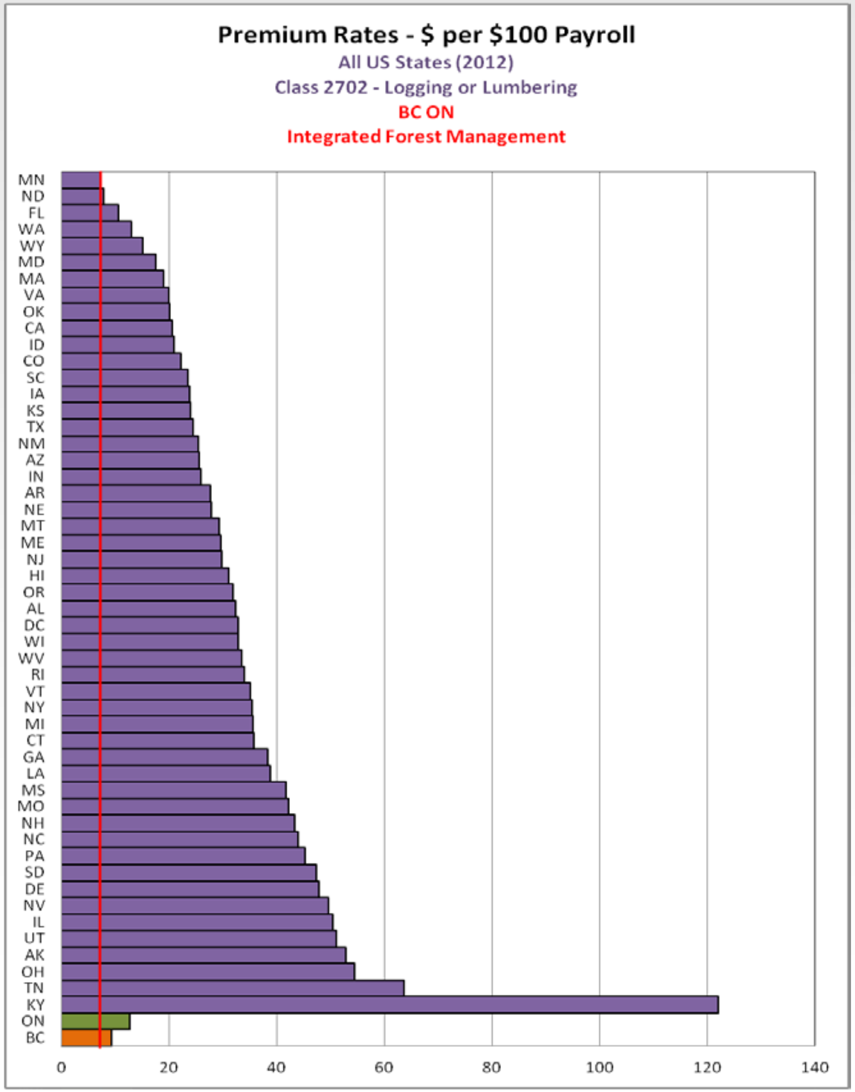
2012



More to come…

- Individual industry comparisons expected by end of Feb.





Notes and cautions

- US data was gathered for the Oregon Workers' Compensation Rate Study 2014. That study is based on specific NCCI classification. Rates provided by states that do not use NCCI classifications were asked to match their rates to the NCCI classification. Where more than one state rate maps to an NCCI classification, states are asked to provide a weighted rate that would approximate the NCCI classification.

- US rates are generally applied to payroll while Canadian rates are generally applied to "assessable payroll". This will tend to make Canadian rates appear higher than if full payroll had been used.

- Canadian rates are generally "all inclusive" covering costs for occupational safety and health, appeal structures and prevention in the province. US rates typically have "load factors" and "assessments" that are added on to the rate. This comparison generally includes these load factors and most assessments, although some assessments are not included. The US rates also exclude any portion of the rate paid by the worker or per capita assessments or fees paid as payroll taxes. The all-inclusive rates in Canada will tend to make Canadian rates appear higher.

- NCCI classifications tend to be more occupationally based than industry based. A firm with both office and field staff may have two different classifications under NCCI but may be considered "in and about" a particular industry and, therefore, classified under one rate in Canadian jurisdictions. This will tend to make Canadian rates appear lower.