

Ted Kulongoski
Governor



NEWS RELEASE

May 3, 2010

Contacts:

Anna Richter Taylor, 503-378-5040

Rem Nivens, 503-378-6496

Jillian Schoene, 503-378-5040

Governor marks 20th anniversary of historic workers' compensation reforms
Results of reforms are celebrated by Oregon businesses and labor organizations

Salem – Governor Ted Kulongoski today gathered with representatives from Oregon businesses and labor organizations to mark the 20th anniversary of successful reforms to the state's workers' compensation system.

As a result of the reforms that became law in 1990, on-the-job injury and illness rates in Oregon have decreased 50 percent and workers' compensation costs are down 60 percent over the last 20 years, now among the lowest in the nation.

"Twenty years ago Oregon's workers' compensation system wasn't working for employees or businesses. But with determination, leadership and political will, we came together and developed a solution centered on employers and employees with workplace safety at the heart of the system," said Governor Kulongoski. "Now, twenty years later, we celebrate a system that is working and among the best in the nation."

The need for reform became clear during the 1980's. At that time, Oregon businesses faced some of the highest workers' compensation costs in the country – and – Oregon workers faced injury and illness rates that, too, were among the highest in the country.

In an effort to reform the system and increase workplace safety, a group of 14 labor and business leaders, including Governor Kulongoski who then was serving as the state's Insurance Commissioner, came together to overhaul the state's workers' compensation system.

These reforms, commonly known as the "Mahonia Hall Reforms" because negotiations took place at the Governor's residence, were passed by the Oregon Legislature on May 7, 1990. Governor Kulongoski, then as the state's Insurance Commissioner, was charged with implementing the reforms.

Twenty years later, Oregon employees and businesses are still reaping the benefits of the reforms. Premium rates have not increased over the last 20 years, a statistic no other state can match and amounting to a \$17.4 billion cost savings for Oregon businesses. Litigation is down significantly and hearing requests to the Workers' Compensation Board have decreased 66 percent since a peak in 1989. And Oregon's return-to-work programs for employees are nationally known and assist more than 8,000 workers each year.

"When you work at improving a government service, it's important to ask the question: 'at the end of the day, have the citizens been served?' In this case, the answer is a definitive 'yes,'" continued the Governor. "With a safer workplace, lower rates for businesses and improved benefits for injured workers, all citizens have benefited, and continue to benefit, from the reforms that we enacted twenty years ago."