

**Office of the Ombudsman for Small Business, DCBS**  
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**Telephone: (503) 378-4209**

**OBTAINING THE PREFERRED WORKER POLICY**  
**Or..”Have We Got a Deal for You!!”**

If you are considering hiring a “Preferred Worker” you have probably already considered the various benefits the program offers. Although you must have a valid workers’ compensation policy for the program to be instituted, one of these benefits is that you do not have to report the **Preferred Worker’s payroll** for premium to be charged by your workers’ compensation insurer. If you have a policy in force and wish to add a preferred worker, simply notify your insurer that you will be hiring this worker, and be prepared to offer the necessary documentation. You will not be reporting this worker’s payroll to your insurer when filing your payroll reports, but you will still be required to do the necessary withholding when filing your **quarterly combined report**.

If you do not currently have employees and the preferred worker will be your only employee, you will need to purchase a worker’s compensation policy. Since you will not be having any payroll to report, the policy **will not** be based on payroll. Because of this, you would have no luck approaching an insurer in Oregon’s voluntary competitive insurance market. The Oregon Workers Compensation Insurance Plan, commonly referred to as “the assigned risk pool”, therefore, has agreed to provide this needed coverage. If you choose to hire more than one “Preferred Worker” you do not have to purchase an additional policy for each worker.

You obtain the policy by calling NCCI’s Boca Raton office, (NCCI stands for the National Council on Compensation Insurance) (800) 622-4123. Listen to their recording and select anything that pertains to “assigned risk” or “assigned risk rates”. When a service person gets on the line, tell them you want an Oregon “Preferred Worker Policy.” The cost of the policy will be approximately \$180 per year. This amount is not a premium — it is the cost of setting the policy up in the system and making the required notifications, and is called the “Expense Constant.” If the service person is unable to help you, ask to speak to the supervisor of the Oregon Unit.

**NOTE: You are not required to obtain one refusal from an insurer to purchase this type of policy in the assigned risk pool!**

To obtain coverage as quickly as possible, ask NCCI to take your application over the phone, or to fax you an application. If you have chosen to fax, fax the application back to them at **(407) 989-6215**. If you have chosen to mail the application, place the original completed application and a check for payment in the mail to NCCI at their regular mailing address as follows: **NCCI-Oregon, P.O. Box 74619, Chicago, IL 60675-4619**. The original application and your check must reach the National Council within 7 days for the earliest effective date. You may also use overnight mail service, but you must mail your application to a *different* address than above: **Lock Box 74619-NCCI, Northern Trust Bank, 801 South Canal St. - C4N, Chicago, IL 60607**.

If you mailed your application, your effective date of coverage would be 12:01 a.m. the morning after the postmark. In direct application or fax situations, your effective date of coverage will be 12:01 a.m. the morning following the date NCCI received your application, assuming that your check has also reached them within 7 days. If you have the “Preferred Worker” policy, and you hire a **regular worker, or lease workers** through an employee leasing company, **you will need to inform your insurer at once**. There will be an **additional** premium due, and the policy will become a **regular** workers’ compensation policy.

If you have any further questions relating to workers compensation insurance, call the Small Business Ombudsman for Workers Compensation at (503) 378-4209.