



June 25, 2014

John Shilts, Administrator
Workers' Compensation Division
350 Winter Street
Salem Oregon 97301

RE: Decertification Notice

Dear John,

Consistent with SB 1558 Section 10 the Oregon Employers Trust conducted a vote of its membership to determine if the group will continue functioning or will no longer continue to function as a self-insured group after September 14, 2014. As required with subsection (2)(a) the group's administrator (Empire Pacific Risk Management, Inc.) provided each member of the group with written notification of the consequences of continuing to function or ceasing to function as a self-insured group.

The vote of the membership illustrates that a majority of the Trust members would like the trust to continue as a self-insured group.

Following the decertification letter sent by your office to members and the media prior to July 6, 2013, OET experienced a membership exodus. The resultant loss of premium along with continued claim costs has impacted cash flow negatively and the trust is unable to pay bills in a timely manner. The current trend is unsustainable and there are no signs that it will improve. We are writing no new business due to the lack of qualified referrals from agents.

A meeting of the Board of directors took place on June 20th, 2014. The Board of Directors voted for decertification.

The Board of Directors served notice that the Trust was decertifying as a self-insured group on June 25th. Although a vote of the membership illustrates a clear majority would prefer to keep the Trust as a workers' compensation market option the Board of Directors believes that the trust cannot remain viable and should decertify in the best interests of the membership. The Trust's administrator received confirmation of receipt and acceptance of the OET decertification notice on this date June 27, 2014. Notifications to both agents and the membership were disseminated immediately thereafter.

A handwritten signature in black ink, appearing to read "Peter Dinsdale". The signature is written in a cursive, flowing style.

Peter Dinsdale, OET President