

LAW OFFICES OF
JODIE ANNE PHILLIPS POLICH, P.C.

March 16, 2023

Workers' Compensation Board
2610 25th Street SE, Suite 150
Salem, OR 97302-1280
Attn: Katy Gunville – katy.e.gunville@wcb.oregon.gov

Re: 2023 Biennial Review of Attorney Fee Schedule

Dear Board Members:

I am submitting this March 15, 2023 Salem Reporter article regarding the recent \$200,000.00 adjustment to SAIF CEO Chip Terhune's compensation package. This article demonstrates that it is not uncommon for compensation packages not only to get out of kilter with an industry but that corrections are necessary to continue to draw competent people to specific jobs in an industry. This is exactly what the Oregon Legislature directed the Board to do in 2015 with attorney fees for attorneys representing injured Oregonians before the Workers' Compensation Board.

While increases have been made in attorney fees paid to attorneys representing injured workers, these increases have not kept pace with the increases in Oregon's average weekly wage or attorneys with comparable specialized practices such as is required to litigate in this forum. It is the Board's responsibility to correct this gap – just as the SAIF Board did for SAIF CEO Terhune.

Sincerely,



Jodie Phillips Polich
Attorney

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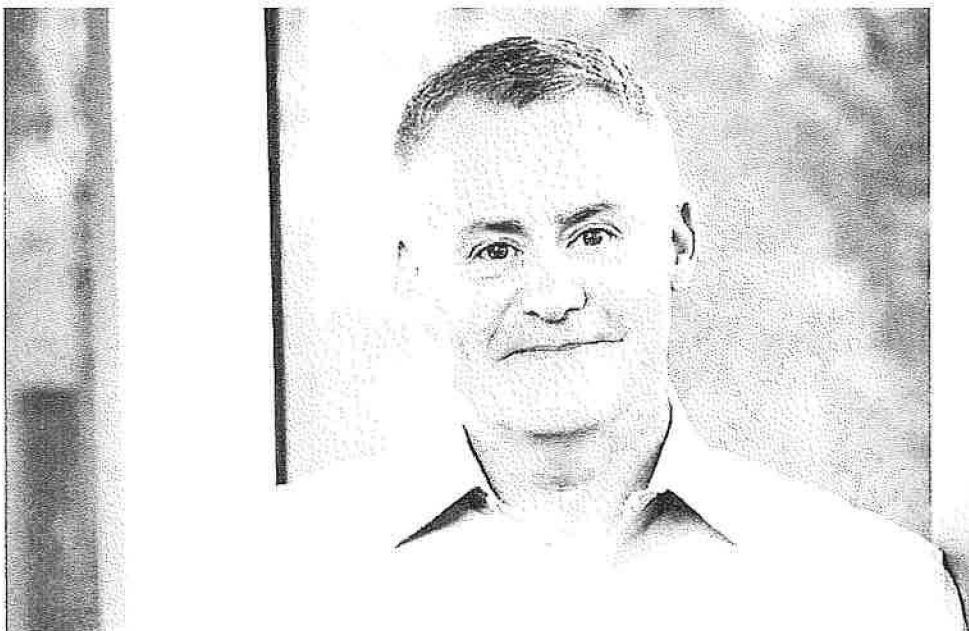
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Chip Terhune, CEO of SAIF Corp. in Salem.

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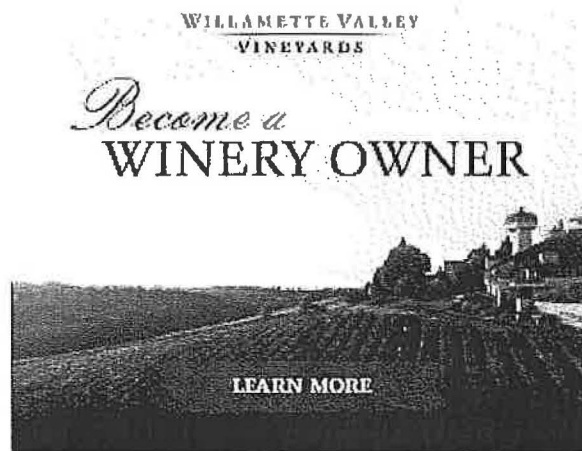
by **Les Zaitz** — on March 15, 2023



Les Zaitz
Author

The board of Salem-based SAIF Corp. has awarded a \$200,000 bonus to the company's president, aiming to shift compensation more in line with other insurers around the U.S.

Chip Terhune, who became SAIF president in July 2021, also got a 4% pay raise. That moves his base salary up to \$540,800 and added a bonus for 2022 work of \$223,333.



With the combined compensation of \$764,133, Terhune makes about seven times what is paid to Gov. Tina Kotek.

"We are aware of the optics," said Krishna Balasubramani, a SAIF board member who

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premiums, handling claims. He's still a public servant."

SAIF is a state-chartered company that is the largest provider of workers' compensation insurance in Oregon, covering about 54,000 businesses. Its board is appointed by the governor.

SAIF officials said the pay adjustment for Terhune was based on an independent review of executive pay at comparable insurance companies.

The consultant's report said Terhune's 2022 pay was 13% lower than the average. The report said that other CEOs received a bonus equal to an average of 60% of their pay. The SAIF Board set Terhune's new bonus at 40% of his pay.

Terhune was named SAIF president in July 2021. He was paid \$217,949 in salary and a \$76,282 for that partial year.

Balasubramani noted company operations are not funded by Oregon taxpayers.

Terhune came to the company from Medecision, a Texas-based health care

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Solutions, public affairs director for Schnitzer Steel, and as an executive with the Oregon Education Association, the state teachers union. He earlier was chief of staff for Gov. Ted Kulongoski.

The compensation package was approved unanimously by the SAIF Board. Besides Balasubramani, directors are John Mohlis, a former union executive now with Gallatin Public Affairs in Portland; Tammy Baney, executive director of the Central Oregon Intergovernmental Council in Bend; Johnell Bell, chief executive officer of the Portland public affairs company Espousal Strategies; and Hans Bernard, a government affairs director for Nike in Beaverton

Balasubramani said the board didn't consider the financial performance of other companies in comparison to SAIF as it evaluated Terhune's compensation.

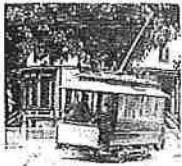
SAIF reported an operating gain of \$58.7 million for 2022 compared to a \$47 million operating loss the year before.

He also said the board had not established performance measures for Terhune.

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employees merit raises averaging 3.7% for 2023, according to a company spokeswoman.

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Les Zaitz

Les Zaitz is editor and CEO of Salem Reporter. He co-founded the news organization in 2018. He has been a journalist in Oregon for nearly 50 years in both daily and community newspapers and digital news services. He is nationally recognized for his commitment to local journalism. He also is editor and publisher of the Malheur Enterprise in Vale, Oregon.

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