

Enrolled Senate Bill 414

Sponsored by Senator SHIELDS (at the request of Loreta Boskovic) (Pre-session filed.)

CHAPTER

AN ACT

Relating to administration of the Insurance Code; creating new provisions; amending ORS 731.256; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 731.256 is amended to read:

731.256. (1) The Director of the Department of Consumer and Business Services may institute *[such]* actions or other lawful proceedings *[as]* **that** the director *[may deem]* **deems** necessary *[for the enforcement of any]* **to enforce a** provision of the Insurance Code or any order or action *[made or taken by the director]* **the director makes or takes** in pursuance of law.

(2) As part of or in addition to any action or proceeding the director institutes against an insurer under subsection (1) of this section, the director may:

- (a) Seek restitution on a consumer’s behalf for actual damages the consumer suffers as a result of the insurer’s violation of a provision of the Insurance Code or applicable federal law or the insurer’s breach of an insurance contract or policy the insurer has with the consumer; and**
- (b) Seek other equitable relief the director deems appropriate under the circumstances.**

[(2)] **(3)** If the director has reason to believe that *[any]* a person has violated *[any]* a provision of the Insurance Code or *[other]* **another** law *[applicable]* **that applies** to insurance operations, *[for which]* **and if the violation is subject to** criminal prosecution *[is provided]* and in the opinion of the director *[would be in order]* **criminal prosecution is warranted**, the director shall give the information *[relative thereto]* **about the violation** to the Attorney General or district attorney *[having]* **that has** jurisdiction *[of any such]* **over the** violation. The Attorney General or district attorney promptly shall institute *[such]* **an** action or *[proceedings]* **a proceeding** against *[such]* **the** person as the information requires or justifies.

(4) An action or proceeding that the director institutes under subsection (1) of this section is an exercise of the director’s regulatory authority and, except as otherwise provided in subsection (3) of this section, does not create a cause of action for any other person.

SECTION 2. (1) The amendments to ORS 731.256 by section 1 of this 2013 Act become operative January 1, 2014.

(2) The Director of the Department of Consumer and Business Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the director to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the director by the amendments to ORS 731.256 by section 1 of this 2013 Act.

SECTION 3. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Passed by Senate June 19, 2013

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 28, 2013

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2013

Approved:

.....M,....., 2013

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2013

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Kate Brown, Secretary of State