

# House Bill 2087

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Department of Consumer and Business Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes caps on civil penalties that Director of Department of Consumer and Business Services may impose for violations of certain workers' compensation statutes or required practices.

## A BILL FOR AN ACT

1  
2 Relating to civil penalties for violations of workers' compensation requirements; amending ORS  
3 656.745.

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

5 **SECTION 1.** ORS 656.745 is amended to read:

6 656.745. (1)(a) The Director of the Department of Consumer and Business Services shall assess  
7 a civil penalty against an employer or insurer [*who*] **that** intentionally or repeatedly induces  
8 claimants for compensation to fail to report accidental injuries, causes employees to collect acci-  
9 dental injury claims as off-the-job injury claims, persuades claimants to accept less than the com-  
10 pensation due or makes it necessary for claimants to resort to proceedings against the employer to  
11 secure compensation due.

12 **(b) The director may not assess under this subsection more than \$2,000 for each violation**  
13 **or more than \$40,000 in the aggregate for violations during a calendar year. Each violation,**  
14 **or each day during which a violation continues, constitutes a separate violation.**

15 (2)(a) The director may assess a civil penalty against an employer, **self-insured employer,**  
16 insurer, managed care organization or service company that:

17 [*a*] **(A)** Fails to pay assessments or other payments due to the director under this chapter and  
18 is in default; or

19 [*b*] **(B)** Fails to comply with statutes, rules or orders of the director regarding reports or other  
20 requirements necessary to carry out the purposes of this chapter.

21 **(b) The director may not assess under this subsection a civil penalty against a self-**  
22 **insured employer, insurer or service company that exceeds \$9,000 for each violation or**  
23 **\$180,000 in the aggregate for violations during a calendar year. Each violation, or each day**  
24 **during which a violation continues, constitutes a separate violation.**

25 **(c) The director may not assess under this subsection a civil penalty against an employer,**  
26 **except a self-insured employer, or managed care organization that exceeds \$2,000 for each**  
27 **violation or \$40,000 in the aggregate for violations during a calendar year. Each violation,**  
28 **or each day during which a violation continues, constitutes a separate violation.**

29 (3) Except as specified in ORS 656.780, the director may assess a penalty **under subsection (2)**  
30 **of this section** against a service company only for claims processing performance deficiencies re-  
31 vealed in annual audits associated with claims processing performance. The director may assess only

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 one penalty for each separate violation by an employer, insurer or service company for deficiencies  
2 revealed in annual audits associated with claims processing performance.

3 *[(4) A civil penalty shall be not more than \$2,000 for each violation or \$10,000 in the aggregate for*  
4 *all violations within any three-month period. Each violation, or each day a violation continues, shall*  
5 *be considered a separate violation.]*

6 *[(5)]* (4) ORS 656.735 (4) to (6) and 656.740 also apply to orders and penalties assessed under this  
7 section.

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