

# Senate Bill 663

Sponsored by Senator PROZANSKI (at the request of John Mangan)

## 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**.

Creates Task Force on Viatical Settlements with members appointed by President of Senate, Speaker of House of Representatives, Director of Department of Consumer and Business Services and Attorney General. Requires task force to study issues related to making and enforcing viatical settlement contracts, identify extent of criminal activity related to viatical settlement contracts and assess effects on insurance consumers. Permits task force to recommend legislation, changes in administrative rules and changes in agency policies and procedures. Requires task force to report to director and to Legislative Assembly.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to viatical settlements; and declaring an emergency.

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

4 **SECTION 1. (1) There is created the Task Force on Viatical Settlements, consisting of**  
5 **nine members appointed as follows:**

6 (a) **The President of the Senate shall appoint:**

7 (A) **One member from among members of the Senate.**

8 (B) **Two members, one of whom is a representative from the insurance industry and one**  
9 **of whom is a representative of insurance product consumers.**

10 (b) **The Speaker of the House of Representatives shall appoint:**

11 (A) **One member from among members of the House of Representatives.**

12 (B) **Two members, one of whom is a representative of the insurance industry and one of**  
13 **whom is a representative of insurance product consumers.**

14 (c) **The Director of the Department of Consumer and Business Services shall appoint one**  
15 **representative from the Department of Consumer and Business Services and one represen-**  
16 **tative from the investment community engaged in the business of making viatical settlement**  
17 **contracts.**

18 (d) **The Attorney General shall appoint one member from among the staff of the De-**  
19 **partment of Justice with expertise in the insurance laws of this state.**

20 (2) **The task force shall:**

21 (a) **Study the market for viatical settlement contracts and identify the extent of viatical**  
22 **settlement contract activity in this state;**

23 (b) **Identify any problems, challenges or other issues related to making or enforcing**  
24 **viatical settlement contracts;**

25 (c) **Identify the extent to which entering into, performing or breaching viatical settle-**  
26 **ment contracts involves fraud, false claims, embezzlement, theft, misappropriation or other**  
27 **criminal activity;**

28 (d) **Identify the extent to which viatical settlement contracts benefit, harm or otherwise**

**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 affect the interests of insurance product consumers;

2 (e) Identify and consider other issues related to viatical settlements that the task force  
3 deems of interest or concern; and

4 (f) Recommend changes in Oregon law, administrative rules or state agency policy or  
5 procedures to respond to the issues the task force identifies.

6 (3) The task force may:

7 (a) Contact and receive information or testimony from any person concerning the sub-  
8 jects and issues that the task force identifies for consideration;

9 (b) Conduct educational seminars, presentations or other events to explain to interested  
10 parties the issues the task force has identified and how the task force plans to provide sug-  
11 gested responses or remedies;

12 (c) Publish or publicize the results of the task force's investigations and inquiries;

13 (d) Propose legislation, changes in administrative rules or changes in agency policies and  
14 procedures to respond to problems or challenges the task force identifies; and

15 (e) Take other actions reasonably related to the scope of the task force's duties under  
16 subsection (2) of this section.

17 (4) A majority of the members of the task force constitutes a quorum for the transaction  
18 of business.

19 (5) Official action by the task force requires the approval of a majority of the members  
20 of the task force.

21 (6) The task force shall elect one of its members to serve as chairperson.

22 (7) If there is a vacancy for any cause, the Director of the Department of Consumer and  
23 Business Services shall make an appointment to become immediately effective.

24 (8) The task force shall meet at times and places specified by the call of the chairperson  
25 or of a majority of the members of the task force.

26 (9) The task force may adopt rules necessary for the operation of the task force.

27 (10) The task force shall submit a report, along with proposed legislation or recommended  
28 changes in administrative rules or agency policies and procedures, to the Director of the  
29 Department of Consumer and Business Services and to an interim committee related to in-  
30 surance regulation no later than September 1, 2008.

31 (11) The Department of Consumer and Business Services shall provide staff support to  
32 the task force.

33 (12) Members of the task force who are not members of the Legislative Assembly are not  
34 entitled to compensation, but may be reimbursed for actual and necessary travel and other  
35 expenses incurred by them in the performance of their official duties in the manner and  
36 amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions  
37 of the task force shall be paid out of funds appropriated to the Department of Consumer and  
38 Business Services for that purpose.

39 (13) All agencies of state government, as defined in ORS 174.111, are directed to assist  
40 the task force in the performance of its duties and, to the extent permitted by laws relating  
41 to confidentiality, to furnish such information and advice as the members of the task force  
42 consider necessary to perform their duties.

43 **SECTION 2.** Section 1 of this 2007 Act is repealed on the date of the convening of the next  
44 regular biennial legislative session.

45 **SECTION 3.** This 2007 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
2 **on its passage.**

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