

House Bill 2634

Sponsored by Representative SCHAUFLEER (at the request of State Accident Insurance Fund Corporation)

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**.

Authorizes State Accident Insurance Fund Corporation to accept letter of credit or similar instrument to secure payment of premiums.

A BILL FOR AN ACT

1
2 Relating to security for payment of workers' compensation insurance premiums; amending ORS
3 656.552.

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

5 **SECTION 1.** ORS 656.552 is amended to read:

6 656.552. (1) If the State Accident Insurance Fund Corporation finds it necessary for the pro-
7 tection of the Industrial Accident Fund, it may require any employer insured with the State Acci-
8 dent Insurance Fund Corporation, except political subdivisions of the state, to deposit and keep on
9 deposit with the State Accident Insurance Fund Corporation a sum equal to the premiums due the
10 State Accident Insurance Fund Corporation upon the estimated payroll of the employer for a period
11 of not to exceed six months.

12 (2) The State Accident Insurance Fund Corporation may, in its discretion and in lieu of such
13 deposit, accept a bond, **letter of credit or similar instrument** to secure payment of premiums to
14 become due the Industrial Accident Fund. The deposit or posting of the bond, **letter of credit or**
15 **similar instrument** shall not relieve the employer from making premium payments to the Industrial
16 Accident Fund based on the actual payroll of the employer, as provided by ORS 656.504.

17 (3) If an employer ceases to be insured by the State Accident Insurance Fund Corporation, the
18 State Accident Insurance Fund Corporation shall, upon receipt of all payments due the Industrial
19 Accident Fund, refund to the employer all deposits remaining to the employer's credit and shall
20 cancel any bond, **letter of credit or similar instrument** given under this section.

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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.