

**Enrolled**  
**Senate Bill 97**

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Department of Veterans' Affairs)

CHAPTER .....

AN ACT

Relating to loan cancellation life insurance; amending ORS 278.415 and 407.465.

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

**SECTION 1.** ORS 407.465 is amended to read:

407.465. (1) Subject to the limitations provided for in this chapter, the Department of Veterans' Affairs may provide loan cancellation life insurance for any person [*who receives or assumes a loan or makes a contract under this chapter for the acquisition of a home or farm, and the spouse or former spouse of that person*] **described in ORS 407.475.**

(2) The insurance may insure the life of the person who receives or assumes the loan or who is the contract purchaser and the life of the spouse or former spouse of that person for all or a portion of the amount of principal and interest due on the state loan or contract. However, for each loan or contract, the lives of not more than two persons shall be insured. The State of Oregon shall be named the beneficiary of the insurance. When an individual insured under this chapter dies, the proceeds of the insurance shall be used to pay all or the insured portion of the balance of the state loan or contract, and the department shall issue a revised payment plan or a satisfaction of the loan or contract.

[(3) *The Oregon Department of Administrative Services shall procure loan cancellation life insurance to meet the requirements of this chapter in compliance with the laws governing the purchase and furnishing of services to state agencies.*]

**SECTION 2.** ORS 278.415 is amended to read:

278.415. (1) [*No*] **A** state agency [*shall*] **may not** purchase insurance[, *other than for employee benefits,*] except as authorized by the Oregon Department of Administrative Services and in accordance with the terms, conditions and procurement methods as may be established by the department, except for the transaction of workers' compensation insurance and reinsurance business by the State Accident Insurance Fund Corporation.

(2) [*However, nothing in*] This section [*applies to*] **does not apply to:**

(a) Professional liability insurance acquired under ORS 9.080 (2);

(b) **Insurance for employee benefits; or**

(c) **Loan cancellation life insurance procured by the Department of Veterans' Affairs under ORS 407.465.**

**Passed by Senate February 4, 2009**

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Secretary of Senate

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President of Senate

**Passed by House March 11, 2009**

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Speaker of House

**Received by Governor:**

.....M,....., 2009

**Approved:**

.....M,....., 2009

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Governor

**Filed in Office of Secretary of State:**

.....M,....., 2009

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Secretary of State