

Senate Bill 97

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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**.

Allows Department of Veterans' Affairs to procure and provide loan cancellation life insurance.

A BILL FOR AN ACT

1
2 Relating to loan cancellation life insurance; amending ORS 278.415 and 407.465.

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

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

5 407.465. (1) Subject to the limitations provided for in this chapter, the Department of Veterans'
6 Affairs may provide loan cancellation life insurance for any person [*who receives or assumes a loan*
7 *or makes a contract under this chapter for the acquisition of a home or farm, and the spouse or former*
8 *spouse of that person*] **described in ORS 407.475.**

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

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

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

21 278.415. (1) [*No*] **A** state agency [*shall*] **may not** purchase insurance[, *other than for employee*
22 *benefits,*] except as authorized by the Oregon Department of Administrative Services and in accord-
23 ance with the terms, conditions and procurement methods as may be established by the
24 department, except for the transaction of workers' compensation insurance and reinsurance business
25 by the State Accident Insurance Fund Corporation.

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

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

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

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

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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.