

House Bill 2211

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Business and Labor for Oregon Self-Insurers Association)

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 Director of Department of Consumer and Business Services to impose civil penalty for workers' compensation claims processing violations by service company. Specifies that director may impose only single civil penalty for each separate violation by employer, insurer, managed care organization or service company.

A BILL FOR AN ACT

1
2 Relating to civil penalties imposed for claims processing violations of workers' compensation claim;
3 amending ORS 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) The Director of the Department of Consumer and Business Services shall assess a
7 civil penalty against an employer or insurer who intentionally or repeatedly induces claimants for
8 compensation to fail to report accidental injuries, causes employees to collect accidental injury
9 claims as off-the-job injury claims, persuades claimants to accept less than the compensation due or
10 makes it necessary for claimants to resort to proceedings against the employer to secure compen-
11 sation due.

12 (2) The director may assess a civil penalty against an employer, insurer or managed care or-
13 ganization that:

14 (a) Fails to pay assessments or other payments due to the director under this chapter and is in
15 default; or

16 (b) Fails to comply with statutes, rules or orders of the director regarding reports or other re-
17 quirements necessary to carry out the purposes of this chapter.

18 **(3) The director may assess a penalty against a service company only for claims pro-**
19 **cessing performance deficiencies revealed in audits associated with claims processing per-**
20 **formance.**

21 ~~[(3)]~~ **(4)** A civil penalty shall be not more than \$2,000 for each violation or \$10,000 in the ag-
22 gregate for all violations within any three-month period. Each violation, or each day a violation
23 continues, shall be considered a separate violation. **The director may assess only one penalty for**
24 **each separate violation by an employer, insurer, managed care organization or service com-**
25 **pany.**

26 ~~[(4)]~~ **(5)** ORS 656.735 (4) to (6) and 656.740 also apply to orders and penalties assessed under this
27 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.