



Oregon Department of Justice

Ellen F. Rosenblum, Attorney General
Frederick M. Boss, Deputy Attorney General

Division of Child Support

1162 Court St NE
Salem OR 97301
Telephone: (503) 947-4388
FAX: (503) 947-2578
TTY: (800) 735-2900
oregonchildsupport.gov

TESTIMONY ON SENATE BILL 510A For the House Committee on Judiciary May 23, 2017

Presented by:

Kate Cooper Richardson, Director
Oregon Child Support Program
Division of Child Support
Department of Justice
kate.richardson@doj.state.or.us

This testimony is submitted in support of Senate Bill 510A with -A4 amendments.

How This Bill Changes Current Law

Senate Bill 510A, with the -A4 amendments, amends ORS 25.640 and 25.646 by requiring insurance companies to enter into agreements with the Oregon Department of Justice to conduct data matches that identify delinquent obligors who have pending claims for injury or loss for which an insurance payment might be made. This legislation would expand the definition of “account” to include pending insurance claims, allowing the Oregon Child Support Program to garnish the proceeds payable to parents who owe past-due child support. It would also increase the number of companies providing data to the Oregon Child Support Program.

The new definition of “claimant” includes parents who pay support (obligors) who may not be the policyholder but who are entitled to receive payments or benefits based on assertion of a claim for injury or loss covered by an insurance policy. This expands circumstances in which the Oregon Child Support Program would be able to collect past-due support.

The -A4 amendments, developed in collaboration with insurance industry representatives, reduce potential delays in disbursing funds to claimants while still ensuring the Oregon Child Support Program receives sufficient notice to issue garnishments when appropriate. The amendments also clarify that the legislation applies to both liability insurance policies and uninsured motorist insurance policies. Last, the -A4 amendments ensure that insurance companies, and other affected financial institutions, are not in violation of otherwise applicable regulations when taking actions required by the legislation.

Currently, most insurance companies match voluntarily through the federal Office of Child Support Enforcement but some major insurers will not do so without a state mandate. This legislation will mandate their participation in a matching program at the state level for those that are not matching at the federal level. A number of other states currently mandate insurance companies to match for pending insurance claims, resulting in increased collections. Because matching for insurance claims is not required in Oregon, the Child Support Program misses out on these claims that could be garnished to pay child support. With the passage of SB 510A, the Oregon Child Support Program will begin receiving data matches from a number of major insurance companies, allowing the Program to submit garnishments on substantially more insurance claims, increasing collections and benefiting families and the state.

Key Points of Legislation

- Expands definitions of “account” and “financial records.” Adds definition of “claimant.”
- Allows the Department of Justice to adopt rules for agreements related to automated data exchange with insurance companies.

Fiscal Impact

None.

Fiscal Benefits

Increased child support collections, benefiting the family that receives support and the state, if collecting state arrears.

Recommended Action

The Oregon Department of Justice recommends adoption of the -A4 amendments and committee approval of Senate Bill 510A because it will increase collection of past-due child support.