

SB 510 A STAFF MEASURE SUMMARY

Carrier: Sen. Dembrow

Senate Committee On Judiciary

Action Date: 04/18/17
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 4-1-0-0
Yeas: 4 - Dembrow, Manning Jr, Prozanski, Thatcher
Nays: 1 - Linthicum
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Whitney Perez, Counsel

WHAT THE MEASURE DOES:

Expands definition of "account" for purposes of support enforcement to include a claim for insurance benefits or payments made by a claimant. Adds definition of "claimant" to mean an obligor who is asserting claim of at least \$500, not including claim for property damage, under liability or uninsured motorist policy by insurer authorized to do business in Oregon. Modifies definition of "financial records" to include original written or electronic document or copy held by a financial institution when the document pertains to a claimant of the financial institution. Allows Oregon Department of Justice to adopt rules to implement automated data exchanges performed by data match system. Requires financial institution to notify administrator in writing at least ten days prior to disbursing funds to obligor.

ISSUES DISCUSSED:

- How the insurance match process works
- What other states have implemented similar procedures
- Need for further amendment

EFFECT OF AMENDMENT:

Defines "claimant" as person asserting claim of at least \$500, not including property damage. Requires financial institution to notify administrator in writing at least ten days prior to disbursing funds to obligor.

BACKGROUND:

For purposes of collecting support from delinquent obligors, the Oregon Department of Justice accesses insurance company data for delinquent debtors who are receiving payments for an injury or loss, which can then be garnished. While most major insurance companies voluntarily provide such data through the federal Office of Child Support Enforcement, some do not, reportedly because definitions within current statute may be unclear. Senate Bill 510-A expands the definition of "account" to include pending claims of at least \$500, not including a claim for property damage, under a liability or uninsured motorist insurance policy authorized to do business in Oregon. SB 510-A also requires a financial institution that has a claim for insurance benefits or payments notify the administrator at least 10 days prior to disbursing payment to the obligor.