

# A-Engrossed House Bill 2087

Ordered by the House February 20  
Including House Amendments dated February 20

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Department of Consumer and Business Services)

## 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.

Changes caps on civil penalties that Director of Department of Consumer and Business Services may impose for violations of certain workers' compensation statutes or required practices.

## A BILL FOR AN ACT

1  
2 Relating to civil penalties for violations of workers' compensation requirements; amending ORS  
3 656.745.

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)(a) The Director of the Department of Consumer and Business Services shall assess  
7 a civil penalty against an employer or insurer [*who*] **that** intentionally or repeatedly induces  
8 claimants for compensation to fail to report accidental injuries, causes employees to collect acci-  
9 dental injury claims as off-the-job injury claims, persuades claimants to accept less than the com-  
10 pensation due or makes it necessary for claimants to resort to proceedings against the employer to  
11 secure compensation due.

12 **(b) The director may not assess under this subsection more than \$2,000 for each violation**  
13 **or more than \$40,000 in the aggregate for violations during a calendar year. Each violation,**  
14 **or each day during which a violation continues, constitutes a separate violation.**

15 (2)(a) The director may assess a civil penalty against an employer, **self-insured employer,**  
16 insurer, managed care organization or service company that:

17 [(a)] **(A)** Fails to pay assessments or other payments due to the director under this chapter and  
18 is in default; or

19 [(b)] **(B)** Fails to comply with statutes, rules or orders of the director regarding reports or other  
20 requirements necessary to carry out the purposes of this chapter.

21 **(b) The director may not assess under this subsection a civil penalty against a self-**  
22 **insured employer, insurer or service company that exceeds \$4,000 for each violation or**  
23 **\$180,000 in the aggregate for violations during a calendar year. Each violation, or each day**  
24 **during which a violation continues, constitutes a separate violation.**

25 **(c) The director may not assess under this subsection a civil penalty against an employer,**  
26 **except a self-insured employer, or managed care organization that exceeds \$2,000 for each**  
27 **violation or \$40,000 in the aggregate for violations during a calendar year. Each violation,**  
28 **or each day during which a violation continues, constitutes a separate violation.**

**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.

1           (3) Except as specified in ORS 656.780, the director may assess a penalty **under subsection (2)**  
2 **of this section** against a service company only for claims processing performance deficiencies re-  
3 vealed in annual audits associated with claims processing performance. The director may assess only  
4 one penalty for each separate violation by an employer, insurer or service company for deficiencies  
5 revealed in annual audits associated with claims processing performance.

6           *[(4) A civil penalty shall be not more than \$2,000 for each violation or \$10,000 in the aggregate for*  
7 *all violations within any three-month period. Each violation, or each day a violation continues, shall*  
8 *be considered a separate violation.]*

9           [(5)] (4) ORS 656.735 (4) to (6) and 656.740 also apply to orders and penalties assessed under this  
10 section.

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