

SB 806 STAFF MEASURE SUMMARY

Carrier: Rep. Conrad

House Committee On Judiciary**Action Date:** 05/03/23**Action:** Do Pass.**Vote:** 10-0-0-0**Yeas:** 10 - Andersen, Bynum, Chaichi, Conrad, Kropf, Lewis, Morgan, Reynolds, Tran, Wallan**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Amie Fender-Sosa, LPRO Analyst**Meeting Dates:** 4/27, 5/3**WHAT THE MEASURE DOES:**

Permits a person who is obligated to retain or purchase life insurance for the purpose of protecting their child support responsibilities to ask the court to modify the judgment requiring the policy in certain circumstances: 1) obligor retires; 2) five-year reviews after the age of 60; 3) monthly premium cost exceeds 50 percent of the monthly amount due under the child support judgment; 4) benefits received would exceed more than twice the total amount of remaining support due; or 5) the obligor has established a trust and the beneficiary would receive at least 125 percent of the total of remaining amounts due. The changes would encompass judgments entered before, on or after the effective date of the measure. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Premiums for life insurance can dramatically increase as a person ages or their health status changes
- Measure creates a pathway to petition the court to modify life insurance based on certain circumstances, without affecting other parts of the case
- Allows a trust instead of an insurance policy if the amount in the trust is sufficient
- Not all child support cases require life insurance, and when it does, it runs parallel to child support
- The well being of the children is paramount

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

A court may order child support be provided under ORS 107.105(1)(c). Child support must be calculated using a formula, in accordance with the uniform support guidelines (ORS 25.275). The formula can be found at OAR 137-050-0700 to 137-050-0765, and the amount of support determined by the formula is presumed to be correct. However, this presumption may be rebutted if that amount is found to be unjust or improper. In addition, the court may require the obligor to obtain life insurance to cover the obligor's support obligation. In general, child custody, child support, and spousal support may be modified only when there is a substantial and unanticipated change in circumstances, and generally once a support payment becomes due, a court may not set aside, alter, or modify any portion of the order dealing with that accrued support, with a few exceptions. (However, a modification of *parenting time* is based solely on what is in the child's best interest and does not require proof of a change of circumstance.) Currently, there is no explicit allowance in statute to ask a court to amend the portion of the child support judgment requiring life insurance.

Senate Bill 806 permits a person who is obligated to retain or purchase life insurance for the purpose of protecting their child support responsibilities to ask the court to modify the judgment requiring the policy in certain circumstances.