

Senate Bill 313

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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**.

Permits person to bring action against insurer or other person that commits unlawful insurance practice. Directs court to award attorney fees in certain circumstances. Allows class actions against persons that commit unlawful insurance practices. Establishes two-year statute of limitations for actions.

Permits Attorney General to punish unlawful insurance practice as unlawful practice under unlawful trade practices law.

A BILL FOR AN ACT

1
2 Relating to remedies for unlawful insurance practices; creating new provisions; amending ORS
3 646.607, 746.308, 746.612, 746.680 and 746.685; and repealing ORS 746.300 and 746.530.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 746.**

6 **SECTION 2. (1) A person that suffers an ascertainable loss of money or property, real
7 or personal, as a result of an act or omission that another person commits and that is pro-
8 hibited under this chapter may bring an individual action in an appropriate court to recover
9 actual damages or statutory damages of \$200, whichever is greater. The court or the jury
10 may award punitive damages and the court may provide equitable relief that the court con-
11 siderers necessary and proper.**

12 **(2) The court may award reasonable attorney fees and costs at trial and on appeal to a
13 prevailing plaintiff in an action under this section. The court may award reasonable attorney
14 fees and costs at trial and on appeal to a prevailing defendant only if the court finds that
15 an objectively reasonable basis for bringing the action or asserting the ground for appeal did
16 not exist.**

17 **(3) The court may not award attorney fees to a prevailing defendant under the provisions
18 of subsection (2) of this section if the plaintiff maintains the action under this section as a
19 class action in accordance with ORCP 32.**

20 **(4) A person must bring an action under this section within two years after the discovery
21 of the unlawful act or omission.**

22 **(5) A person may maintain an action under this section as a class action. In a class
23 action under this section:**

24 **(a) Statutory damages under subsection (1) of this section may be recovered on behalf
25 of class members only if the plaintiffs in the action establish that the class members have
26 suffered an ascertainable loss of money or property, real or personal, as a result of an act
27 or omission that the defendant committed and that is prohibited under this chapter;**

28 **(b) The trier of fact may award punitive damages; and**

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 **(c) The court may award equitable relief.**

2 **SECTION 3.** ORS 646.607 is amended to read:

3 646.607. A person engages in an unlawful practice if in the course of the person's business, vo-
4 cation or occupation the person:

5 (1) Employs any unconscionable tactic in connection with selling, renting or disposing of real
6 estate, goods or services, or collecting or enforcing an obligation;

7 (2) Fails to deliver all or any portion of real estate, goods or services as promised, and at a
8 customer's request, fails to refund money that the customer gave to the person to purchase the
9 undelivered real estate, goods or services and that the person does not retain pursuant to any right,
10 claim or defense the person may assert in good faith. This subsection does not create a warranty
11 obligation and does not apply to a dispute over the quality of real estate, goods or services delivered
12 to a customer;

13 (3) Violates ORS 401.965 (2);

14 (4) Violates a provision of ORS 646A.725 to 646A.750;

15 (5) Violates ORS 646A.530;

16 (6) Employs a collection practice that is unlawful under ORS 646.639;

17 (7) Is a beneficiary that violates ORS 86.726 (1)(a) or (2), 86.729 (4) or 86.732 (1) or (2); or

18 (8) Violates ORS 646A.093.

19 **(9) Violates a provision of ORS chapter 746.**

20 **SECTION 4.** ORS 746.308 is amended to read:

21 746.308. An insurer that violates ORS 819.014 or 819.018 [*shall be considered to have violated a*
22 *provision of the Insurance Code*], **in addition to any other penalties provided for the violation,**
23 **is also subject to an action brought under section 2 of this 2015 Act or under ORS 646.607.**

24 **SECTION 5.** ORS 746.612 is amended to read:

25 746.612. [*Nothing in ORS 746.607 may be construed to create a new private right of action against*
26 *a health insurer*] **Notwithstanding the provisions of section 2 of this 2015 Act, ORS 746.607 does**
27 **not create a new private right of action against a health insurer.**

28 **SECTION 6.** ORS 746.680 is amended to read:

29 746.680. **Notwithstanding the provisions of section 2 of this 2015 Act:**

30 (1) A person whose rights granted under ORS 746.607 (7), 746.640, 746.645 or 746.650 are violated
31 may apply to the circuit court for the county in which the person resides, or any other court of
32 competent jurisdiction, for appropriate equitable relief if an insurer, insurance producer or
33 insurance-support organization fails to comply with ORS 746.607 (7), 746.640, 746.645 or 746.650.

34 (2) A licensee or insurance-support organization that discloses information in violation of ORS
35 746.665 or a health insurer that uses or discloses information in violation of ORS 746.607 (1) or (2)
36 is liable for damages sustained by the individual about whom the information relates. However, an
37 individual is not entitled to a monetary award that exceeds the actual damages sustained by the
38 individual as a result of the violation of ORS 746.607 (1) or (2) or 746.665.

39 (3) In any action brought pursuant to this section, the court may award the cost of the action
40 and reasonable attorney fees to the prevailing party.

41 (4) An action under this section must be brought within two years from the date the alleged
42 violation is or should have been discovered.

43 (5) Except as specifically provided in this section, there shall be no remedy or recovery available
44 to individuals, in law or in equity, for occurrences constituting a violation of any provision of ORS
45 746.600 to 746.690.

1 **SECTION 7.** ORS 746.685 is amended to read:

2 746.685. [No] **Notwithstanding the provisions of section 2 of this 2015 Act, a** cause of action
3 in the nature of defamation, invasion of privacy or negligence [shall] **does not** arise against [any]
4 **a** person for disclosing personal or privileged information in accordance with ORS 746.600 to 746.690
5 and 750.055, nor [shall such] **does** a cause of action arise against [any] **a** person for furnishing per-
6 sonal or privileged information to an insurer, insurance producer or insurance-support organization.
7 However, this section [shall] **does not** provide [no] immunity for disclosing or furnishing false in-
8 formation with malice or willful intent to injure any person.

9 **SECTION 8.** ORS 746.300 and 746.530 are repealed.

10 **SECTION 9.** Section 2 of this 2015 Act and the repeal of ORS 746.300 and 746.530 by sec-
11 **tion 8 of this 2015 Act apply to all acts or omissions that are prohibited by ORS chapter 746**
12 **that a person commits on or after the effective date of this 2015 Act.**

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