

Enrolled
House Bill 2087

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)

CHAPTER

AN ACT

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

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

SECTION 1. ORS 656.745 is amended to read:

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

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

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

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

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

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

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

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

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

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

Passed by House February 26, 2019

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate March 19, 2019

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2019

Approved:

.....M,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2019

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Secretary of State