

# D R A F T

## SUMMARY

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 require-  
3 ments; amending ORS 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  
7 Services shall assess a civil penalty against an employer or insurer [*who*]  
8 **that** intentionally or repeatedly induces claimants for compensation to fail  
9 to report accidental injuries, causes employees to collect accidental injury  
10 claims as off-the-job injury claims, persuades claimants to accept less than  
11 the compensation due or makes it necessary for claimants to resort to pro-  
12 ceedings against the employer to secure compensation due.

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

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

20 [(a)] **(A)** Fails to pay assessments or other payments due to the director

1 under this chapter and is in default; or

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

5 **(b) The director may not assess under this subsection a civil penalty**  
6 **against a self-insured employer, insurer or service company that ex-**  
7 **ceeds \$9,000 for each violation or \$180,000 in the aggregate for vio-**  
8 **lations during a calendar year. Each violation, or each day during**  
9 **which a violation continues, constitutes a separate violation.**

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

16 (3) Except as specified in ORS 656.780, the director may assess a penalty  
17 **under subsection (2) of this section** against a service company only for  
18 claims processing performance deficiencies revealed in annual audits associ-  
19 ated with claims processing performance. The director may assess only one  
20 penalty for each separate violation by an employer, insurer or service com-  
21 pany for deficiencies revealed in annual audits associated with claims pro-  
22 cessing performance.

23 [(4) *A civil penalty shall be not more than \$2,000 for each violation or*  
24 *\$10,000 in the aggregate for all violations within any three-month period. Each*  
25 *violation, or each day a violation continues, shall be considered a separate vi-*  
26 *olation.*]

27 [(5)] **(4)** ORS 656.735 (4) to (6) and 656.740 also apply to orders and pen-  
28 alties assessed under this section.

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