

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Bonamici, Galizio, Gilliam, Girod, Nelson, Riley, Holvey
Nays:	0
Exc.:	0
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	2/05, 3/26

WHAT THE MEASURE DOES: Permits the Department of Consumer and Business Services (DCBS) to specify categories of insurance in which individual policy forms may be reviewed by the Interstate Insurance Product Regulation Compact (Compact) or other multi state review process. DCBS must adopt rules to designate categories of insurance and ensure the multi-state process provides the same or better protections than those currently in state law. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- How and why was the compact formed
- What the standards for regulation of the compact will likely be.
- Differences between home, auto and health insurance risks as opposed to risks associated with life, disability and annuities products.
- What the review process for the Compact will be.
- Responsibilities, liabilities and obligations of Oregon due to House Bill 2224.
- Sunset of HB 2224 and review of standards and procedures in 2011.
- Ability of the insurance division to shift regulatory focus to other products as a result of House Bill 2224.
- Affects of House Bill 2224 on Oregon's ability to regulate insurance.

EFFECT OF COMMITTEE AMENDMENT: Clarifies that this measure would apply to forms approved by the Interstate Insurance Regulatory Compact. Amendments also sunset the law in January 2011 and requires DCBS to report back to the legislature in 2011 on standards adopted by the Compact.

BACKGROUND: Current law requires insurers to file policy forms with DCBS before they can be used in the marketplace. Auto, home and health insurance risk factors often vary significantly from state to state due to differences in risk from one state to another. However many products, such as life insurance, annuities and disability insurance do not differ by state and the consumer keeps these policies when they move from one state to another.

Many states have recognized this situation and combined to form an Interstate Insurance Product Regulatory Compact which will provide a single review process with uniform standards developed by participating states. The compact is currently in the formative stage and has 29 states as members. This measure allows Oregon to use the standards that will be developed by the compact if the standards provide the same or better protections that Oregon's standards. If standards are deemed inadequate by the insurance division, Oregon standards will apply to policy forms filed by insurers. Oregon is under no obligation to use the compact.

This summary has not been adopted or officially endorsed by action of the committee.