

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass the A-Engrossed Measure
Vote: 4 - 0 - 1
Yeas: Beyer, Gordly, Monroe, Prozanski
Nays: 0
Exc.: Avakian
Prepared By: Anna Braun, Administrator
Meeting Dates: 5/21, 5/30

WHAT THE MEASURE DOES: Allows the Director of Consumer and Business Services (DCBS) to specify by rule which categories of life insurance, annuities or disability insurance the director need not review individually. Requires report to Legislature by January 31, 2009. Sunsets January 2, 2012. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Merits of joining compact
- Oregon standards compared to those of other states

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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. HB 2224-A allows Oregon to use the standards that will be developed by the compact if the standards provide the same or better protections than Oregon's standards. If standards are deemed inadequate by the DCBS Insurance Division, Oregon standards will apply to policy forms filed by insurers. Oregon is under no obligation to use the compact.