

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 0 - 2
Yeas:	Bonamici, Gilliam, Nelson, Riley, Holvey
Nays:	0
Exc.:	Galizio, Girod
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	4/13

WHAT THE MEASURE DOES: Removes prohibition against imposing assessments on annuities to pay expenses of the Department of Consumer and Business Services in administering the insurance code. Changes the requirement for the number of persons required to be insured under group life insurance policy from ten lives to two. Requires premium for group life insurance policies to be paid from funds of policy holder or from funds contributed by persons insured under a policy as required by federal law. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Effect on regulation of industry and whether there is any increased responsibility on industry.
- Effects on consumer protection and insurance availability for small businesses.
- Effect on revenue to the Insurance Division

EFFECT OF COMMITTEE AMENDMENT: No amendment

BACKGROUND: Under current law, the insurance division's funding source is an assessment against each insurer's premium volume in Oregon. For life and annuity companies, the Insurance Division is required to exclude annuity premium and apply assessments only to life insurance premiums. Annuity premiums have grown over the past twenty years to over 65% of the total for life and annuity premium and require substantial resources from the insurance division to regulate annuity products. This bill would change the formula for assessing premiums of life and annuity products without changing the overall assessment collected by the Insurance Division.