

# House Bill 2224

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Consumer and Business Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits Director of Department of Consumer and Business Services by rule to specify categories of insurance for which director need not review individual policy forms if director finds that Interstate Insurance Product Regulation Commission or similar multistate review process provides policyholders with same protections as or better protections than does review process under state law.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to insurance policy forms; creating new provisions; amending ORS 742.003; and declaring  
3 an emergency.

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

5 **SECTION 1.** ORS 742.003 is amended to read:

6 742.003. (1) Except **as provided in this section or** where otherwise provided by law, *[no]* a basic  
7 policy form, or application form where written application is required and is to be made a part of  
8 the policy, or rider, indorsement or renewal certificate form *[shall]* **may not** be delivered or issued  
9 for delivery in this state until the form has been filed with and approved by the Director of the  
10 Department of Consumer and Business Services. This section does not apply to:

11 (a) Forms of unique character *[which]* **that** are designed for and used with respect to insurance  
12 upon a particular risk or subject;

13 (b) Forms issued at the request of a particular life or health insurance policy owner or certifi-  
14 cate holder and *[which]* **that** relate to the manner of distribution of benefits or to the reservation  
15 of rights and benefits thereunder;

16 (c) Forms of group life or health insurance policies, or both, that have been agreed upon as a  
17 result of negotiations between the policyholder and the insurer; or

18 (d) Forms complying with specific requirements regarding delivery or issuance for delivery in  
19 this state established by the director by rule.

20 (2) The director shall within 30 days after the filing of any such form approve or disapprove the  
21 form. The director shall give written notice of such action to the insurer proposing to deliver such  
22 form and when a form is disapproved the notice shall show wherein such form does not comply with  
23 the law.

24 (3) The 30-day period referred to in subsection (2) of this section may be extended by the di-  
25 rector for an additional period not to exceed 30 days if the director gives written notice within the  
26 first 30-day period to the insurer proposing to deliver the form that the director needs such addi-  
27 tional time for the consideration of such form.

28 (4) The director may at any time request an insurer to furnish the director a copy of any form

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 exempted under subsection (1) of this section.

2       **(5) Notwithstanding any other provision of law, the director by rule may specify categories of life insurance, annuities or disability insurance for which the director need not consider or review an individual policy form that an insurer has filed before approving the form for delivery or issuance for delivery in this state. Policy forms that the Interstate Insurance Product Regulation Commission has reviewed, or that have undergone review through a similar multistate process, are subject to approval in the manner specified in this subsection if the director finds that the applicable review process gives policyholders substantially the same protection as or better protections than does the process available under the laws of this state when considered in light of:**

- 11       **(a) The procedures used in the multistate review;**
- 12       **(b) The nature of the insurance product reviewed; and**
- 13       **(c) The consumer needs that the insurance product serves.**

14       **(6) Nothing in subsection (5) of this section affects the director's power to withdraw approval of any policy form under ORS 742.007 or to regulate the marketing and use of any approved policy form under the laws of this state.**

17       **SECTION 2.** **The amendments to ORS 742.003 by section 1 of this 2007 Act apply to insurance policy forms filed with the Director of the Department of Consumer and Business Services on or after the effective date of this 2007 Act.**

20       **SECTION 3.** **This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage.**