

Enrolled
House Bill 3484

Sponsored by Representative BONAMICI; Representatives BARNHART, BERGER, CAMERON,
GILLIAM, MACPHERSON, MAURER, ROBLAN, TOMEI

CHAPTER

AN ACT

Relating to life insurance; amending ORS 731.804 and 743.303; and declaring an emergency.

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

SECTION 1. ORS 731.804 is amended to read:

731.804. (1) Except as otherwise provided in this section, each authorized insurer doing business in this state shall pay assessments that the Director of the Department of Consumer and Business Services determines **are** necessary to support the legislatively authorized budget of the Department of Consumer and Business Services with respect to functions of the department under the Insurance Code. The director shall determine the assessments according to one or more percentage rates established by the director by rule. The director shall specify in the rule when assessments shall be made and payments shall be due. The premium-weighted average of the percentage rates *[shall]* **may** not exceed nine-hundredths of one percent of the gross amount of premiums received by an insurer or *[its]* **the insurer's** insurance producers from and under *[its]* **the insurer's** policies covering direct domestic risks, after deducting the amount of return premiums paid and the amount of dividend payments made to policyholders with respect to such policies. In the case of reciprocal insurers, the amount of savings paid or credited to the accounts of subscribers shall be deducted from the gross amount of premiums. In establishing the percentage rate or rates, the director shall use the most recent premium data approved by the director. In establishing the amounts to be collected under this subsection, the director shall take into consideration the expenses of the department for administering the Insurance Code and the fees collected under subsection (2) of this section. When the director establishes two or more percentage rates:

(a) Each rate shall be based on such expenses of the department ascribed by the director to the line of insurance for which the rate is established.

(b) Each rate shall be applied to the gross amount of premium received by an insurer or its insurance producers for the applicable line of insurance as provided in this subsection.

(2) The director may collect fees for specific services provided by the department under the Insurance Code according to a schedule of fees established by the director by rule. The director may collect such fees in advance. In establishing the schedule for fees, the director shall take into consideration the cost of each service for which a fee is imposed.

(3) Establishment and amendment of the schedule of fees under subsection (2) of this section are subject to prior approval of the Oregon Department of Administrative Services and a report to the Emergency Board prior to adopting the fees and shall be within the budget authorized by the Legislative Assembly as that budget may be modified by the Emergency Board.

(4) The director may not collect an assessment under subsection (1) of this section from any of the following persons:

(a) A fraternal benefit society complying with ORS chapter 748.

(b) Any person or class of persons designated by the director by rule.

(5) The director may not collect an assessment under subsection (1) of this section with respect to premiums received from any of the following policies:

(a) Workers' compensation insurance policies.

[(b) Annuity policies, whether fixed or variable in nature.]

[(c)] (b) Wet marine and transportation insurance policies.

[(d)] (c) Any category of policies designated by the director by rule.

SECTION 2. ORS 743.303 is amended to read:

743.303. Policies of group life insurance are subject to the following requirements:

(1) The policy shall be issued upon the lives of persons who are associated in a common group formed for purposes other than the obtaining of insurance, except that either of the following kinds of policies may be issued to persons other than those in a common group:

(a) Group policies of credit life insurance; or

(b) Group policies of mortgage life insurance on first and second mortgages secured by real estate[;].

(2) *[Not less than 75 percent of the eligible members of the group or 10 lives, whichever is the greater,]* **No fewer than two lives** are insured at the date of issue of the policy[;].

(3) The amounts of insurance under the policy shall be based on some plan precluding individual selection, except that optional supplemental insurance may be available to persons insured under the policy, if the amounts of such supplemental insurance are based upon age, salary, rank or similar objective standards[;].

(4) *[The person contracting for the group coverage shall be responsible for the payment of premiums;]* **The premium for the policy must be paid from the funds of the group policyholder or from funds contributed by persons insured under the policy, or from both sources.**

(5) For the purposes of this section, the term "mortgage" includes trust deeds[; and].

(6) As used in this section, "trust deed" has the meaning given in ORS 86.705.

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.

Passed by House April 25, 2007

Repassed by House June 5, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 1, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State