

Senate Bill 603

Sponsored by Senator NELSON; Senators BROWN, WESTLUND, Representatives BARKER, KRIEGER, KRUMMEL, SHIELDS

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**.

Changes requirement that one-third of directors of domestic insurer be residents of this state to requirement that one-quarter of directors be residents of this state.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to requirements for directors for domestic insurers; creating new provisions; amending ORS
3 732.305; and declaring an emergency.

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

5 **SECTION 1.** ORS 732.305 is amended to read:

6 732.305. [*The number of directors of a domestic insurer shall be not fewer than five. Directors need*
7 *not be shareholders or members of the insurer unless the articles of incorporation so require but shall*
8 *be 21 years of age or older. Not fewer than five directors or one-third of the directors, whichever is*
9 *fewer, shall be residents of this state.*] **A domestic insurer may not have fewer than five direc-**
10 **tors. A director need not be a shareholder or member of the insurer unless the articles of**
11 **incorporation so require, but a director must be 21 years of age or older. At least five or**
12 **one-quarter of the directors, whichever is fewer, must be residents of this state.** A majority
13 of directors [*shall*] **must** be persons who are not salaried officers of the insurer.

14 **SECTION 2.** The amendments to ORS 732.305 by section 1 of this 2007 Act apply to do-
15 mestic insurers in operation on or after the effective date of this 2007 Act.

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