

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	6 - 0 - 1
<b>Yeas:</b>	Holvey, Huffman, Lim, Riley, Sprenger, Witt
<b>Nays:</b>	0
<b>Exc.:</b>	Barnhart
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	2/7, 2/11

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**WHAT THE MEASURE DOES:** Permits the Director of the Department of Consumer and Business Services, in conjunction with a declaration of an emergency by the Governor, to issue an executive order to suspend or extend certain requirements of law and provisions set forth in policies and contracts of insurance. Directs the department to adopt rules to establish criteria for such orders, and allows adoption of rules applicable to specific disaster declarations. Declares an emergency and takes effect upon passage.

**ISSUES DISCUSSED:**

- December 2007 emergency order
- Insurance policies to which the measure would apply
- Intent to include insurance industry in rulemaking process

**EFFECT OF COMMITTEE AMENDMENT:** Requires Director of Department of Consumer and Business Services to adopt rules to establish criteria for orders. Allows Director to adopt specific rules related to specific emergency proclamations.

**BACKGROUND:** Several communities in northwest Oregon were devastated by a storm that struck the region in December 2007, as well as by flooding and landslides that occurred shortly following the storm. Following Governor Kulongoski's emergency declaration, the Department of Consumer and Business Services (DCBS) issued an emergency order on December 7, 2007, to prohibit insurers from canceling or not renewing policies until January 3, 2008, for policy holders in the affected areas of Lincoln, Tillamook, Clatsop, Columbia and Yamhill counties. The executive order also prohibited insurers from canceling or not renewing policies based solely on claims resulting from the storm, and required insurers to withdraw and reissue noticed mailed the week prior to the storm. The December emergency order covered personal lines of insurance, including homeowner, auto, health, and personal property insurance.

House Bill 3605-A codifies in statute language similar to the DCBS emergency order issued December 7, 2007. It authorizes the DCBS Director to issue an executive order to suspend provisions of the Insurance Code and of policies and contracts of insurance in a specified geographical area following a disaster declaration. The measure also directs DCBS to adopt rules to establish criteria for the orders, and allows adoption of rules specific to particular disaster declarations.