

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	Hass, Kruse, Metsger, Morse, Walker
Nays:	0
Exc.:	0
Prepared By:	Dana Richardson, Administrator
Meeting Dates:	2/19

WHAT THE MEASURE DOES: Permits Director of the Department of Consumer and Business Services, in conjunction with a Governor's declaration of emergency, to issue an order to suspend or extend certain requirements of law and provisions of insurance policies and contracts. Provides for extensions of such an order. 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; effective upon passage.

ISSUES DISCUSSED:

- Cancellation of insurance via electronic mail
- Identified flood plains

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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) implemented an 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 order prohibited insurers from canceling or failing to renew policies based solely on claims resulting from the storm. The order covered personal lines of insurance, including homeowner, auto, health, and personal property insurance.

House Bill 3605-A codifies language similar to the DCBS order issued December 7, 2007. It authorizes the DCBS Director to issue an order to suspend provisions of the Insurance Code as well as insurance policies and contracts 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.