

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 7 - 0 - 2

Yeas: Gilliam, Krieger, Riley, Smith J., Whisnant, Wingard, Holvey

Nays: 0

Exc.: Matthews, Tomei

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 2/15, 2/17

WHAT THE MEASURE DOES: Increases annuity coverage by Oregon Life and Health Insurance Guaranty Association from \$100,000 to \$250,000. Declares an emergency and takes effect upon passage.

ISSUES DISCUSSED:

- Description of annuities
- Similar limits in other states

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: An annuity is an investment product in which an insurance company makes payments of income to a consumer at regular intervals in return for a premium payment made in a lump sum or over a contractual period. Although the amount of a typical annuity has grown, the coverage limit in Oregon has not increased since 1991. The limit is currently \$100,000, compared to the coverage limit for the Federal Deposit Insurance Corporation (FDIC) and the level recommended by the National Association of Insurance Commissioners, both of which are \$250,000. Many states, including Idaho and Washington, have higher limits than currently imposed by Oregon law.