

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: George, Girod, Rosenbaum, Bonamici
Nays: 0
Exc.: Burdick
Prepared By: Lori Brocker, Administrator
Meeting Dates: 2/2

WHAT THE MEASURE DOES: Increases annuity coverage by Oregon Life and Health Insurance Guaranty Association from \$100,000 to \$250,000. Makes technical changes. Declares an emergency; effective on passage.

ISSUES DISCUSSED:

- Current amount of annuity coverage

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: An annuity is an investment product in which an insurance company pays a consumer income 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, lower than the \$250,000 FDIC coverage limit and the \$250,000 level recommended by the National Association of Insurance Commissioners. Many states, including Washington and Idaho, have higher limits than required by current Oregon law.