

Preliminary

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Dae Baek, Economist

Meeting Dates: 5/4

MEASURE: HB 2679
EXHIBIT: F
HOUSE REVENUE COMMITTEE
DATE: 5/4/2011 PAGES: 1
SUBMITTED BY: DAE BAEK

WHAT THE BILL DOES: Imposes surplus lines tax and reporting requirements on independently procured insurance policyholders. Revises calculation method of surplus lines Fire Marshall tax.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: A surplus lines policy is a policy placed with an insurer that is not licensed in Oregon, but is eligible to provide property or liability insurance through a specially licensed producer known as a surplus lines licensee. The surplus lines insurance market exists to ensure that Oregonians can obtain unique or hard-to-find coverage that isn't available in the regular insurance marketplace. The Oregon Surplus Lines Law (Oregon Revised Statutes 735.400-735.495) governs the surplus lines market. (Source: Insurance Division, Department of Consumer and Business Services)

If surplus lines insurance transactions take place in Oregon, the placement must be made by an Oregon licensed surplus lines producer. The Surplus Line Association of Oregon is responsible for reviewing all Oregon surplus lines placements and assisting the State of Oregon in collecting premium taxes on Oregon surplus lines placements. All surplus lines policies must be filed with the Surplus Line Association on the forms provided by the Association. Currently surplus lines policies are subject to two percent premium tax that goes to the General Fund and a tax for the purpose of supporting the function of the office of the State Fire Marshall. (Source: <http://slaor.org/Default.aspx>, The Surplus Line Association of Oregon)

This bill makes sure the Oregon Surplus Lines Law conform to the Federal Nonadmitted and Reinsurance Reform Act of 2010.