

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	6 - 0 - 2
Yeas:	Doherty, Esquivel, Johnson, Matthews, Kennemer, Schaufler
Nays:	0
Exc.:	Conger, Hoyle
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	4/25

WHAT THE MEASURE DOES: Eliminates the requirement that the Department of Consumer and Business Services examine rating organizations at least once every five years. Maintains the requirement that a rating organization can be examined as often as the Department deems to be expedient.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Rating organizations are entities whose object or purpose is the making of insurance rates, rating plans, or rating systems. They gather claims information and other data that are used by insurers to calculate the amount of risk involved in various types of insurance policies and file proposed rates for different types of insurance coverage with the Insurance Commissioner's office in each state; in Oregon's case, with the Department of Consumer and Business Services (DCBS) Insurance Division. In turn, an insurance company can choose to adopt the rate by filing notice of that election with the Division.

Current statute requires DCBS to examine rating organizations at least once every five years. Senate Bill 674 deletes the five year requirement, and allows the Department to make an examination of each rating organization as often as the Director deems expedient. This is consistent with the current examination timeframes for advisory organizations, which are groups, associations, or other insurer organizations that assist authorized insurers, which make their own filings or licensed rating organizations in rate making, by the collection and furnishing of loss or expense statistics or by the submission of recommendations, but do not make filings.