

A-Engrossed
House Bill 2467

Ordered by the House February 27
Including House Amendments dated February 27

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Department of Consumer and Business Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Department of Consumer and Business Services to adopt rules to regulate penalties, fees and charges that insurer imposes for early withdrawal from individual deferred annuity policy. Specifies considerations for department to use in adopting rules.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to charges in connection with withdrawals from individual deferred annuity policies; and
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 743.**

6 **SECTION 2. (1) Notwithstanding the provisions of ORS 743.275 to 743.295, the Department**
7 **of Consumer and Business Services may adopt rules to regulate the penalties, fees or other**
8 **charges that an insurer imposes for a withdrawal, before maturity or after the owner or**
9 **annuitant dies, from an individual deferred annuity policy.**

10 **(2) In adopting rules under subsection (1) of this section, the department shall consider:**

11 **(a) Standards, regulations, rules, policies or guidelines that other states, public and pri-**
12 **ate national organizations and other bodies apply to impositions of the types of penalties,**
13 **fees or charges described in subsection (1) of this section;**

14 **(b) Whether the penalty, fee or charge the insurer imposes is appropriate for and suited**
15 **to achieving the insurer's stated purpose in imposing the penalty, fee or charge;**

16 **(c) How an insurer calculates the penalty, fee or charge;**

17 **(d) The benefits to which the penalty, fee or charge applies;**

18 **(e) Whether the insurer could take actions other than imposing a penalty, fee or charge**
19 **in order to achieve the purpose for which the insurer imposed the penalty, fee or charge;**

20 **(f) When insurers may or do not impose penalties, fees or charges for withdrawals before**
21 **maturity or after the owner or annuitant dies;**

22 **(g) Limitations on the amount of the insurer's penalty, fee or charge; and**

23 **(h) Other aspects, facts, circumstances or elements that the department deems relevant.**

24 **SECTION 3. Section 2 of this 2015 Act applies to contracts entered into on or after the**
25 **operative date specified in section 4 of this 2015 Act.**

26 **SECTION 4. (1) Section 2 of this 2015 Act becomes operative January 1, 2016.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **(2) The Director of the Department of Consumer and Business Services may take any**
2 **action before the operative date specified in subsection (1) of this section that is necessary**
3 **to enable the director to exercise, on and after the operative date specified in subsection (1)**
4 **of this section, all of the duties, functions and powers conferred on the director by section**
5 **2 of this 2015 Act.**

6 **SECTION 5.** **This 2015 Act being necessary for the immediate preservation of the public**
7 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
8 **on its passage.**

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