

**PROPOSED AMENDMENTS TO
HOUSE BILL 2551**

1 On page 1 of the printed bill, line 3, delete “442.445 and”.

2 Delete lines 5 through 31 and delete pages 2 through 6 and insert:

3 **“SECTION 1.** ORS 731.574 is amended to read:

4 “731.574. (1) Except as provided in subsection [(4)] (5) of this section, ev-
5 ery authorized insurer shall file with the Director of the Department of
6 Consumer and Business Services, on or before March 1 of each year, a fi-
7 nancial statement for the year ending December 31 immediately preceding.
8 This statement shall be on a form prescribed by the director. The statement
9 shall contain such detailed exhibit of the condition and transactions of the
10 insurer, in such form and otherwise, as the director prescribes. The director
11 shall consider and may prescribe the annual statement blank or other form
12 established by the National Association of Insurance Commissioners, in-
13 cluding instructions prepared by the National Association of Insurance
14 Commissioners for completing the blank or other form. If the director pre-
15 scribes the blank or other form established by the National Association of
16 Insurance Commissioners, including the instructions, an insurer submitting
17 the annual statement blank or form established by the National Association
18 of Insurance Commissioners must complete the blank or form according to
19 the instructions. The director may require the filing of information in addi-
20 tion to the information required in the annual statement. The director may
21 also require additional filings as the director determines necessary.

22 **“(2) A covered entity, as defined in ORS 192.556, that is required to**

1 **file an annual financial statement under subsection (1) of this section**
2 **shall file with the statement a protection of health information report.**
3 **The report is confidential and not subject to disclosure under ORS**
4 **192.410 to 192.505. The report must:**

5 **“(a) State the responsibility of management for establishing and**
6 **maintaining adequate safeguards and procedures for protecting the**
7 **confidentiality of protected health information that the covered entity**
8 **retains in electronic and hard copy form;**

9 **“(b) Contain an assessment, as of December 31 of the preceding**
10 **year, of the effectiveness of the safeguards and procedures in protect-**
11 **ing the confidentiality of protected health information;**

12 **“(c) Contain assurances that the signing officers have disclosed to**
13 **the governing board of the covered entity:**

14 **“(A) All significant deficiencies in the design or operation of**
15 **record-keeping systems or controls that could adversely affect the**
16 **covered entity’s ability to protect the confidentiality of protected**
17 **health information;**

18 **“(B) Any breaches of the security of protected health information,**
19 **whether material or not, that involve management or other employees**
20 **who have a significant role in the covered entity’s record-keeping**
21 **systems or controls; and**

22 **“(C) All necessary steps that have been taken to address deficien-**
23 **cies in the design or operation of record-keeping systems or controls**
24 **and to resolve any material weaknesses identified to or by the covered**
25 **entity’s auditors; and**

26 **“(d) Contain assurances that the signing officers have identified for**
27 **the governing board of the covered entity any material weaknesses in**
28 **the record-keeping systems or controls.**

29 **“[(2)] (3) The financial statement filed by an insurer under subsection (1)**
30 **of this section shall be verified by the oaths of the president and secretary**

1 of the insurer or, in their absence, by two other principal officers. The
2 statement of an alien company shall embrace only its condition and trans-
3 actions in the United States, unless the director requires otherwise, and shall
4 be verified by the oath of its resident manager or principal representatives
5 in the United States. Facsimile signatures are acceptable and shall have the
6 same force as original signatures.

7 “[3] (4) The director may grant an extension of time for filing the an-
8 nual statement.

9 “[4] (5) A home protection insurer may adopt a fiscal year other than
10 the calendar year for its financial statements filed with the director under
11 subsection (1) of this section by declaring the fiscal year in its application
12 for a certificate of authority. An adopted fiscal year may not be changed
13 without the consent of the insurance supervisory official of the insurer’s
14 domicile. The financial statement of a home protection insurer on other than
15 the calendar year basis shall be filed with the director on or before the first
16 day of the third month which follows the end of the fiscal year.

17 “[5] (6) An insurer, subject to requirements set forth in rules made by
18 the director, may publish financial statements, or information based on fi-
19 nancial statements, prepared on a basis that is in accordance with require-
20 ments of a competent authority and differs from the basis of the statements
21 required to be filed with the director.

22 “[6] (7) It is the intention of the Legislative Assembly that the director
23 consider and follow the accounting, reporting and other standards, practices
24 and procedures established by the National Association of Insurance Com-
25 missioners in order to:

26 “(a) Strengthen and improve regulation of insurer solvency by the De-
27 partment of Consumer and Business Services;

28 “(b) Promote uniform and consistent regulation of insurance by this state
29 and the other states;

30 “(c) Reduce regulatory costs owing to unnecessary differences in the laws

1 of the various states; and

2 “(d) Obtain and maintain accreditation of this state’s insurance regula-
3 tory program by the National Association of Insurance Commissioners.

4 **“SECTION 2. Section 3 of this 2015 Act is added to and made a part
5 of ORS chapter 441.**

6 **“SECTION 3. (1) As used in this section, ‘protected health infor-
7 mation’ has the meaning given that term in ORS 192.556.**

8 **“(2) A health care facility shall file with the Oregon Health Au-
9 thority a protection of health information report no later than 120
10 days following the close of the fiscal year. The report shall be on a
11 form prescribed by the authority, shall be signed by the chief executive
12 officer of the facility and must:**

13 **“(a) State the responsibility of the health care facility’s manage-
14 ment for establishing and maintaining adequate safeguards and pro-
15 cedures for protecting the confidentiality of protected health
16 information that the facility retains in electronic and hard copy form;**

17 **“(b) Contain assurances that the signing officer has disclosed to the
18 board of directors of the facility:**

19 **“(A) All significant deficiencies in the design or operation of
20 record-keeping systems or controls that could adversely affect the
21 facility’s ability to protect the confidentiality of protected health in-
22 formation;**

23 **“(B) Any breaches of the security of protected health information
24 that involve management, staff or employees of the facility who have
25 a significant role in the facility’s record-keeping systems or controls;
26 and**

27 **“(C) All necessary steps that have been taken to address significant
28 deficiencies in the design or operation of record-keeping systems or
29 controls and to resolve any material weaknesses identified by the fa-
30 cility; and**

1 **“(c) Contain assurances that the signing officer has identified for**
2 **the board any material weaknesses in the record-keeping systems or**
3 **controls.**

4 **“(3) The authority may adopt all rules necessary to carry out the**
5 **provisions of this section.**

6 **“(4) The protection of health information report:**

7 **“(a) Is confidential and not subject to disclosure under ORS 192.410**
8 **to 192.505.**

9 **“(b) And all communications, written reports, notes or records**
10 **created for the purpose of developing the protection of health infor-**
11 **mation report are not admissible in evidence in any judicial, adminis-**
12 **trative, arbitration or mediation proceeding.”.**

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