

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Business and Transportation

**REVENUE:** May have revenue impact, statement not yet issued**FISCAL:** May have fiscal impact, statement not yet issued**SUBSEQUENT REFERRAL TO:** **JOINT COMMITTEE ON WAYS AND MEANS****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Patrick Brennan, Administrator**Meeting Dates:** 2/1, 2/3, 2/8

**WHAT THE MEASURE DOES:** Establishes the Task Force on Insurance Regulation. Outlines membership and duties of Task Force. Sunsets Task Force on December 1, 2017. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Work group process
- Intended as compromise solution
- Insuring tractors for on-road and off-road uses
- Similar/related laws in other states
- Potential to discourage insurance carriers from issuing policies in Oregon
- Issues with regard to regulatory records
- Insurers' duty to defend depends on duty to indemnify
- Potential for administrative approach to issue

**EFFECT OF COMMITTEE AMENDMENT:**

*[-2 amendment]* Replaces original measure. Clarifies language regarding directive to Department of Consumer and Business Services to provide information to requester regarding complaints received by the Department against an insurer for unlawful practices under ORS 746.230.

*[-4 amendment]* Replaces original measure.

*[-5 amendment]* Replaces original measure. Specifies that Director of Department of Consumer and Business Services may provide information to any requester about complaints received against an insurer for unlawful practices under ORS 746.230, after removing personal identifier information. Sunsets provision January 1, 2021. Takes effect July 1, 2016.

**BACKGROUND:** Senate Bill 1591 creates a seven-member Task Force on Insurance Regulation to examine the extent to which Oregon insurers pay claims in a timely fashion, respond to investigative queries from the Department of Consumer and Business Services (DCBS) and promote transparency and responsiveness to claims by the insured. The Task Force is directed to submit a report to the Legislative Assembly no later than September 15, 2017, and sunsets on December 31, 2017.

The Task Force will consist of the following members:

- Two senators appointed by the Senate President;
- One representative of a large Oregon insurer appointed by the Senate President;
- Two members of the Oregon House of Representatives appointed by the Speaker;
- One representative of a small Oregon insurer appointed by the Speaker;
- One Oregonian who is an insurance consumer appointed by the Governor.

2/8/2016 10:25:00 AM \*

***This summary has not been adopted or officially endorsed by action of the committee.***