

D R A F T

SUMMARY

Exempts insurers that transact certain classes of commercial insurance from requirement to file rates or policy forms. Specifies circumstances in which exemption does not apply.

A BILL FOR AN ACT

Relating to commercial insurance filing requirements.

The Legislative Assembly finds that:

(1) Businesses in this state benefit when competitive markets govern transactions among businesses;

(2) A reasonable degree of competition exists now in the commercial lines property and casualty insurance market;

(3) Reducing barriers to a rapid introduction of new and innovative business insurance products in this state would enhance competition in commercial lines insurance; and

(4) The Department of Consumer and Business Services must retain the power to intervene in specific commercial lines of insurance if a reasonable degree of competition does not exist.

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

SECTION 1. Section 2 of this 2017 Act is added to and made a part of the Insurance Code.

SECTION 2. (1) Notwithstanding provisions of the Insurance Code that require insurers to file rates and policy forms with the Director of the Department of Consumer and Business Services, and except as provided in subsections (3), (4) and (5) of this section, an insurer is

1 **exempt from the requirement to file with the director rates or policy**
2 **forms for the classes of insurance specified in subsection (2) of this**
3 **section.**

4 **(2)(a) The following classes of insurance are subject to the ex-**
5 **emption described in subsection (1) of this section:**

6 **(A) Aircraft liability and hull insurance;**

7 **(B) Surety insurance;**

8 **(C) Inland marine insurance;**

9 **(D) Marine and transportation insurance;**

10 **(E) Wet marine and transportation insurance;**

11 **(F) Boiler and machinery insurance;**

12 **(G) Environmental impairment and pollution insurance;**

13 **(H) Kidnap and ransom insurance;**

14 **(I) Political risk or expropriation insurance;**

15 **(J) Directors and officers liability insurance;**

16 **(K) Fiduciary liability insurance;**

17 **(L) Employment practices liability insurance;**

18 **(M) Errors and omissions and professional liability insurance;**

19 **(N) Media liability insurance;**

20 **(O) Commercial travel risk insurance, including accidental death**
21 **and dismemberment insurance;**

22 **(P) Product liability and product recall insurance;**

23 **(Q) Insurance coverage for information technology security and for**
24 **losses that arise out of or are related to breaches of security involving**
25 **personal information, network security, computer viruses and related**
26 **losses;**

27 **(R) Commercial property insurance;**

28 **(S) Commercial flood insurance;**

29 **(T) Umbrella or excess insurance;**

30 **(U) Any other commercial lines insurance coverage, other than**
31 **coverage specified in subsection (3) of this section, that a policyholder**

1 **has if the policyholder pays aggregated monthly insurance premiums**
2 **of \$10,000 or more; and**

3 **(V) Any other commercial insurance the director specifies by rule**
4 **for the purpose of enhancing competition.**

5 **(b) An exemption for the classes of insurance described in para-**
6 **graph (a) of this subsection applies whether the insurer provides the**
7 **insurance as a stand-alone policy, as an endorsement or as part of**
8 **other insurance coverage.**

9 **(3) The following classes of insurance are not exempt under sub-**
10 **section (1) of this section:**

11 **(a) Workers' compensation insurance;**

12 **(b) Medical malpractice liability insurance;**

13 **(c) Commercial automobile liability insurance policies that cover**
14 **four or fewer motor vehicles; and**

15 **(d) Any coverage an insurer issues under an assigned risk plan or**
16 **through a residual market pool or facility.**

17 **(4) This section does not apply to any class or line of insurance that**
18 **an insurer transacts with a consumer, as defined in ORS 746.600.**

19 **(5)(a) The director may require for a period not longer than one**
20 **year that insurers that transact a specific class of insurance file rate**
21 **or policy forms for the specific class of insurance as otherwise pro-**
22 **vided in the Insurance Code if the director determines after a hearing**
23 **that a reasonably adequate degree of competition does not exist for the**
24 **specific class of insurance.**

25 **(b) In making a determination under paragraph (a) of this sub-**
26 **section, the director shall disclose in writing the specific tests and**
27 **other bases for the director's determination.**

28 **(c) If the director does not make the disclosures described in para-**
29 **graph (b) of this subsection, competition in the specific class of in-**
30 **surance is presumed to be reasonably adequate.**

31 **(6) Notwithstanding any other law to the contrary, this section does**

1 not repeal, expressly or by implication, any law that requires an
2 insurer to file a rate or policy form for the classes of insurance de-
3 scribed in subsection (2) of this section. Such laws apply if the director
4 makes a determination under subsection (5) of this section and, sub-
5 ject to the provisions of this section, as otherwise provided in the In-
6 surance Code.

7 (7) The director may adopt rules to implement this section.

8 SECTION 3. Section 2 of this 2017 Act applies to insurance that an
9 insurer transacts and to an insurance policy that an insurer issues or
10 renews on or after the effective date of this 2017 Act.

11