

SB 985 STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

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Meeting Dates: 4/5, 4/17

WHAT THE MEASURE DOES:

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

FISCAL: No fiscal impact

REVENUE: No revenue impact

ISSUES DISCUSSED:

- Specialty policies are effectively negotiated
- Whether measure will result in better insurance rates

EFFECT OF AMENDMENT:

[-1 amendment, anticipated] Specifies that exemption applies to inland marine insurance coverage specified by Director. Removes travel risk insurance from exemption list. Clarifies exemption for highly protected commercial property. Authorizes Director to exempt any other commercial lines insurance coverage for large commercial policyholders that meet premium threshold and other requirements. Exempts all commercial automobile liability insurance, insurance for projects defined in ORS 737.602, and service contracts defined in ORS 646A.154. Modifies authorities and duties of Director regarding program. Allows surplus lines broker to purchase insurance from any eligible nonadmitted insurer.

FISCAL:

REVENUE:

BACKGROUND:

The Division of Financial Regulation of the Department of Consumer and Business Services (DCBS) is the regulatory body for the insurance industry in Oregon. Insurers dealing in many lines of insurance, such as health insurance plans, are required to file proposed rates with the DCBS, which posts filings and tables with proposed rates prior to making decisions.

Senate Bill 985 lists several classes of insurance for an exemption from rate filing requirements. The measure specifies that the DCBS Director may require rate filing for one of the specified classes of insurance if, subsequent to a hearing on the issue, it is determined that sufficient competition does not exist for that class of insurance