

## **SB 97 -A3 STAFF MEASURE SUMMARY**

### **House Committee On Business and Labor**

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**Meeting Dates:** 5/10, 5/17

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#### **WHAT THE MEASURE DOES:**

Establishes or modifies supervision authority of Director of Department of Consumer and Business Services over insurers.

- Specifies Director must act as group-wide supervisor for internationally active insurance groups, or acknowledge another official as such, under certain criteria and conditions.
- Requires insurers and insurance groups to submit corporate governance annual disclosures to Director or other regulatory official in lead state according to timelines set in rule.
- Outlines confidentiality requirements and authority to share information regarding documents, materials and other information received by or disclosed by Director.
- Specifies Director retains authority over insurer's operations when insurer is placed under supervision, liquidation or rehabilitation.
- Specifies period within which health benefit plan carrier may cancel coverage in specified circumstances.

Becomes operative on January 1, 2018. Declares emergency, effective on passage.

- No expenditure or revenue impacts
- Senate vote 29-0

#### **ISSUES DISCUSSED:**

- Ramifications of losing accreditation from National Association of Insurance Commissioners (NAIC)
- Diversity of corporate directors
- Who should bear cost of state supervision
- Use of electronic records
- Vetting of NAIC model law
- Protection of trade secrets

#### **EFFECT OF AMENDMENT:**

-A3 Resolves conflicts with SB 754.

#### **BACKGROUND:**

The Division of Financial Regulation of the Oregon Department of Consumer and Business Services (DCBS) is the state's licensing and regulatory agency for businesses and professionals engaged in finance or insurance. As part of this mission, DCBS is accredited through the National Association of Insurance Commissioners (NAIC), which evaluates Oregon's programs to monitor the solvency of insurers.

After reviewing how insurers govern themselves, DCBS several areas to be addressed; these issues are the basis for Senate Bill 97-A.