

## **SB 985 A -A3 STAFF MEASURE SUMMARY**

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

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**Meeting Dates:** 5/15, 5/22

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#### **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. Allows surplus lines brokers to purchase insurance from any eligible nonadmitted insurer. Authorizes Director of Department of Consumer and Business Services to publish sample disclosure notice insurers may issue to policyholder of specified types of insurance.

- Senate vote 28-0

#### **ISSUES DISCUSSED:**

- Which lines of commercial insurance should be exempt
- Whether measure will have negative impact on small business owners
- Role brokers play in consumer protection and competition

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

-A3 Narrows commercial lines of insurance exempt from rate and form filing requirements. Specifies Director of Department of Consumer and Business Services may adopt rule to exempt or amend the rate and form filing requirements for commercial lines of insurance if a requirement is not desirable or necessary to protect the public and if the exemption or amendment would enhance competition. Deletes permission granted to surplus lines broker to purchase insurance from eligible nonadmitted insurer without making diligent search of admitted insurers.

- No revenue impact
- No expenditure impact

#### **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 and policy form with DCBS, which posts filings and tables with proposed rates prior to making decisions.

Senate Bill 985-A lists several classes of insurance for an exemption from rate and policy form filing requirements. The measure specifies that the DCBS Director may require rate and form 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.