

SB 97 A STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

Carrier: Sen. Beyer

Action Date: 04/05/17
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 4-0-1-0
Yeas: 4 - Beyer, Girod, Monroe, Riley
Exc: 1 - Thomsen
Fiscal: No fiscal impact
Revenue: No revenue impact
Prepared By: Patrick Brennan, LPRO Analyst

WHAT THE MEASURE DOES:

Specifies that the Director of the Department of Consumer and Business Services 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 annually by June 1. Outlines confidentiality requirements and authority to share information regarding documents, materials and other information received by or disclosed by Director. Becomes operative on January 1, 2018. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Aligns statutes with guidelines from National Association of Insurance Commissioners
- Provisions of amendment

EFFECT OF AMENDMENT:

Specifies Director will determine schedule for corporate governance annual disclosure and specifies that report is to be delivered to either Director or chief insurance regulatory official of state designated as lead. Specifies that disclosure and other documents contain trade secrets. Specifies Director and receiving agency must agree in writing to maintain privileges applying to provided materials. Adds provisions related to domestic insurers maintaining place of business and home office in Oregon also keeping electronic records in this state or another state. Clarifies Director's regulatory authority over insurers operating within an insurance holding company system.

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 finance and insurance businesses and professionals. As part of this mission, DCBS is accredited through the National Association of Insurance Commissioners (NAIC), which evaluates the state's programs for monitoring the solvency of entities transacting insurance.

DCBS conducted a review of insurer governance following the 2015 Session, identifying a number of areas to be addressed; these issues are the basis for Senate Bill 97-A.