

Senate Bill 109

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Task Force on Statewide Earthquake Insurance for Residential Property and specifies composition of task force membership. Specifies duties of task force.

Sunsets task force on December 31, 2018.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to earthquake insurance; and declaring an emergency.

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

4 **SECTION 1. (1) The Task Force on Statewide Earthquake Insurance for Residential**
5 **Property is established.**

6 **(2) The task force consists of 15 members appointed as follows:**

7 **(a) The President of the Senate shall appoint two members from among members of the**
8 **Senate, ensuring that the members represent both caucuses.**

9 **(b) The Speaker of the House of Representatives shall appoint two members from among**
10 **members of the House of Representatives, ensuring that the members represent both**
11 **caucuses.**

12 **(c) The President of the Senate and the Speaker of the House of Representatives shall**
13 **jointly appoint a member who represents the Legislative Fiscal Office.**

14 **(d) The Governor shall appoint 10 members as follows:**

15 **(A) A representative from the Governor's office with responsibility for emergency man-**
16 **agement;**

17 **(B) Two representatives from the Department of Consumer and Business Services with**
18 **extensive knowledge of property and casualty insurance matters;**

19 **(C) A representative from the Oregon Department of Administrative Services with ex-**
20 **tensive knowledge of risk assessment and management;**

21 **(D) Two representatives from insurers that are authorized to transact insurance in this**
22 **state and that provide earthquake insurance in this state; and**

23 **(E) Four members of the public who represent homeowners and other residential prop-**
24 **erty owners and renters.**

25 **(3) The task force shall:**

26 **(a) Evaluate the feasibility of establishing a state-run, self-funding insurer or a hybrid**
27 **public-private insurance authority that provides earthquake insurance for residential prop-**
28 **erty owners at affordable rates;**

29 **(b) Investigate alternatives for providing adequate earthquake insurance coverage for**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 residential property owners in the state without establishing a state-run insurer;

2 (c) Investigate best practices and effective means for making residential property owners
3 in the state aware of the need for earthquake insurance coverage for residential property;

4 (d) Investigate barriers, including barriers of affordability and availability, that prevent
5 residential property owners from obtaining earthquake insurance coverage; and

6 (e) Investigate other issues related to providing adequate insurance for residential prop-
7 erty owners against natural disasters.

8 (4) The task force may:

9 (a) Obtain research, testimony, advice, consultation and information from experts in the
10 fields of disaster preparation and management, risk assessment and management, insurance
11 coverage and related topics;

12 (b) Conduct original research and studies and otherwise undertake investigations to
13 carry out the task force's duties as set forth in subsection (3) of this section;

14 (c) Compile the task force's findings and recommendations in one or more reports that
15 address both insurance providers and other professionals and residential property owners in
16 appropriate language; and

17 (d) Undertake any other or related activities that are necessary to carry out the task
18 force's purposes as set forth in subsection (3) of this section.

19 (5) A majority of the members of the task force constitutes a quorum for the transaction
20 of business.

21 (6) Official action by the task force requires the approval of a majority of the members
22 of the task force.

23 (7) The task force shall elect one of the task force's members to serve as chairperson.

24 (8) If there is a vacancy for any cause, the appointing authority shall make an appoint-
25 ment to become immediately effective.

26 (9) The task force shall meet at times and places specified by the call of the chairperson
27 or of a majority of the members of the task force.

28 (10) The task force may adopt rules necessary for the operation of the task force.

29 (11) The task force shall submit a report in the manner provided by ORS 192.245, and
30 may include recommendations for legislation, to an interim committee of the Legislative
31 Assembly related to insurance no later than September 15, 2018.

32 (12) The Department of Consumer and Business Services shall provide staff support to
33 the task force.

34 (13) Members of the task force who are not members of the Legislative Assembly are not
35 entitled to compensation or reimbursement for expenses and serve as volunteers on the task
36 force.

37 (14) All agencies of state government, as defined in ORS 174.111, are directed to assist
38 the task force in the performance of the task force's duties and, to the extent permitted by
39 laws relating to confidentiality, to furnish information and advice the members of the task
40 force consider necessary to perform their duties.

41 **SECTION 2.** Section 1 of this 2017 Act is repealed on December 31, 2018.

42 **SECTION 3.** This 2017 Act being necessary for the immediate preservation of the public
43 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect
44 on its passage.