

Enrolled
Senate Bill 338

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Business and Transportation)

CHAPTER

AN ACT

Relating to exemptions from the application of laws that govern guaranteed asset protection waivers; amending section 2, chapter 523, Oregon Laws 2015.

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

SECTION 1. Section 2, chapter 523, Oregon Laws 2015, is amended to read:

Sec. 2. (1)(a) A guaranteed asset protection waiver is not insurance and is not subject to the provisions of the Insurance Code. A person, other than an insurer, that sells a guaranteed asset protection waiver in compliance with sections 1 to 7, **chapter 523, Oregon Laws 2015**, [of this 2015 Act] does not become subject to the Insurance Code by reason of the sale.

(b) Notwithstanding any other provision of law, any cost for a guaranteed asset protection waiver into which a borrower enters, whether in compliance with the Truth in Lending Act, 15 U.S.C. 1601 et seq., and regulations promulgated under the Truth in Lending Act, or not, must be stated separately in the finance agreement and is not a finance charge or interest.

(2) Sections 1 to 7, **chapter 523, Oregon Laws 2015**, [of this 2015 Act] do not apply to:

(a) An insurance policy that an insurer offers under the provisions of the Insurance Code;

(b) A debt cancellation contract or debt suspension agreement offered in compliance with 12 C.F.R. 37.2 or 12 C.F.R. part 721, both as in effect on [the effective date of this 2015 Act] **January 1, 2016**; [or]

(c) A state bank, as defined in ORS 706.008, or a credit union, as defined in ORS 723.008[.]; or

(d)(A) An addendum to a finance agreement that is sold or assigned to a licensee, as defined in ORS 725.010, and that is secured by a motor vehicle, under the terms of which a creditor agrees to waive the creditor's right to collect all or part of an amount due from a borrower under the terms of the finance agreement or to release the borrower from an obligation to pay the creditor an amount due under the finance agreement if the motor vehicle:

(i) Suffers physical damage that is equivalent to a total loss; or

(ii) Is stolen and not recovered.

(B) The addendum to the finance agreement described in subparagraph (A) of this paragraph is not insurance and is not subject to the provisions of the Insurance Code.

Passed by Senate March 7, 2017

Repassed by Senate June 12, 2017

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 1, 2017

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2017

Approved:

.....M,....., 2017

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2017

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Dennis Richardson, Secretary of State