

Requested by HOUSE COMMITTEE ON BUSINESS AND LABOR

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 985**

1 On page 1 of the printed A-engrossed bill, delete lines 14 through 26 and  
2 delete pages 2 and 3 and insert:

3 **“SECTION 2. (1) Notwithstanding provisions of the Insurance Code**  
4 **that require insurers to file rates and policy forms with the Director**  
5 **of the Department of Consumer and Business Services, and except as**  
6 **provided in subsections (3), (4) and (5) of this section, an insurer is**  
7 **exempt from the requirement to file with the director rates or policy**  
8 **forms for the classes of insurance specified in subsection (2) of this**  
9 **section.**

10 **“(2)(a) The following classes of insurance are subject to the ex-**  
11 **emption described in subsection (1) of this section:**

12 **“(A) Surety insurance;**

13 **“(B) Wet marine and transportation insurance;**

14 **“(C) Boiler and machinery insurance;**

15 **“(D) Environmental impairment and pollution insurance;**

16 **“(E) Kidnap and ransom insurance;**

17 **“(F) Political risk or expropriation insurance;**

18 **“(G) Insurance for property with these characteristics:**

19 **“(i) The owner or property manager demonstrates a willingness and**  
20 **determination to reduce the probability of a loss;**

21 **“(ii) The owner or property manager conducts periodic and thor-**

1 **ough specialized inspections and engineering for the purpose of pre-**  
2 **venting or minimizing loss;**

3 **“(iii) The property has an insurable value sufficient for an insurer**  
4 **to charge a premium in an amount that warrants providing specialized**  
5 **inspection and engineering services;**

6 **“(iv) The property has a structural design and degree of protection**  
7 **that, in combination with specialized inspection and engineering ser-**  
8 **vices, has the effect of reducing the need for or importance of publicly**  
9 **provided fire protection;**

10 **“(v) The property’s construction uses fire resistant or incombustible**  
11 **heavy timber or similar materials that are well preserved and in good**  
12 **repair;**

13 **“(vi) The property has fire protection or loss prevention equipment**  
14 **in all areas in which fire prevention or loss protection is necessary;**

15 **“(vii) The owner or property manager provides security and alarm**  
16 **service or equivalent security services or equipment where necessary;**  
17 **and**

18 **“(viii) Sufficient numbers of hydrants, hoses and equipment, an**  
19 **adequate water supply and other components of a private or publicly**  
20 **provided fire protection system exist to protect the property’s exterior;**  
21 **and**

22 **“(H) Commercial lines insurance that the director exempts, other**  
23 **than coverage specified in subsection (4) of this section, for large**  
24 **commercial policyholders that pay an annual aggregate premium**  
25 **threshold amount or that meet other requirements the director speci-**  
26 **fies.**

27 **“(b) An exemption for the classes of insurance described in para-**  
28 **graph (a) of this subsection applies whether the insurer provides the**  
29 **insurance as a stand-alone policy, as an endorsement or as part of**  
30 **other insurance coverage.**

1       **“(3) Notwithstanding provisions of the Insurance Code that require**  
2 **insurers to file rates and policy forms with the director, and except**  
3 **as provided in subsections (4) and (5) of this section, the director by**  
4 **rule may exempt or amend the rate and form filing requirements for**  
5 **any commercial line of insurance if the director determines that:**

6       **“(a) The requirement is not desirable or is not necessary to protect**  
7 **the public; and**

8       **“(b) An exemption or amendment would enhance competition.**

9       **“(4) The following classes of insurance are not exempt under sub-**  
10 **section (1) of this section:**

11       **“(a) Workers’ compensation insurance;**

12       **“(b) Medical malpractice liability insurance;**

13       **“(c) Commercial automobile liability insurance;**

14       **“(d) Coverage that an insurer issues under an assigned risk plan**  
15 **or through a residual market pool or residual market facility; and**

16       **“(e) Insurance for a project, as defined in ORS 737.602.**

17       **“(5) This section does not apply to any class or line of insurance**  
18 **that an insurer transacts with a consumer, as defined in ORS 746.600.**

19       **“(6)(a) The director may publish a sample disclosure notice that an**  
20 **insurer may issue without needing to file the disclosure with the di-**  
21 **rector for review or approval if the insurer issues the disclosure to-**  
22 **gether with an insurance policy that is a claims-made insurance policy**  
23 **or a liability insurance policy that includes defense costs within the**  
24 **limits of liability.**

25       **“(b) An insurer need not use the sample disclosure notice described**  
26 **in paragraph (a) of this subsection. An insurer that does not use the**  
27 **sample disclosure notice shall file the insurer’s proposed notice with**  
28 **the director for review and approval. If the director approves the**  
29 **insurer’s proposed notice, the insurer may issue the notice with all of**  
30 **the insurer’s claims-made insurance policies or policies that include**

1 **defense costs within the limits of liability without submitting the no-**  
2 **tice to the director for further review or approval.**

3 **“(7) The director may adopt rules to implement this section.**

4 **“SECTION 3. Section 2 of this 2017 Act applies to insurance that an**  
5 **insurer transacts and to an insurance policy that an insurer issues or**  
6 **renews on or after the effective date of this 2017 Act.”.**

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