

HB 2787 A STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 5/1

WHAT THE MEASURE DOES:

Adjusts language to clarify that only authorized insurers of wet marine and transportation insurance pay a tax on the underwriting profit earned from issuing insurance policies on wet marine and transportation. Changes tax on wet marine and transportation insurance provided by unauthorized insurers from a tax on underwriting profit to a tax equal to 0.75% of gross receipts from the sale of wet marine and transportation insurance.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The bill seeks to distinguish between taxation schemes for admitted and non-admitted (unauthorized) wet marine and transportation insurers operating within Oregon. Admitted insurers have a certificate of authority granted by the Oregon Department of Financial Regulation and are allowed to advertise insurance coverage within the state.

Non-admitted insurers of wet marine and transportation insurance provide policy coverage for items not covered by admitted insurers. Non-admitted insurers are not allowed to advertise within the state and a licensed broker must be involved in the transaction of non-admitted insurance coverage. HB 2787 A distinguishes between admitted and non-admitted insurer taxation policies and rates.