

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2787

By COMMITTEE ON REVENUE

May 29

1 On page 4 of the printed A-engrossed bill, line 34, delete “section 6” and insert “sections 6 and
2 8”.

3 Delete lines 38 and 39 and insert:

4 **“SECTION 5. Sections 6 to 8 of this 2019 Act are added to and made a part of ORS 731.808
5 to 731.828.”.**

6 Delete line 45 and delete page 5 and insert:

7 **“SECTION 7. (1) Each producer of nonadmitted wet marine and transportation insurance
8 shall keep a full and true record of each nonadmitted wet marine and transportation insur-
9 ance contract placed on an Oregon home state risk. The record must include a copy of the
10 policy, certificate, cover note or other evidence of insurance that the Director of the De-
11 partment of Consumer and Business Services specifies by rule.**

12 **“(2) A producer shall keep the record described in subsection (1) of this section open at
13 all reasonable times to the director’s examination, without notice, for a period of not less
14 than five years after termination of the nonadmitted wet marine and transportation insur-
15 ance contract.**

16 **“SECTION 8. (1) An insurance producer that places wet marine and transportation in-
17 surance with a nonadmitted insurer shall collect taxes on the insurance in addition to the
18 gross amount of premiums the insurance producer and other intermediaries charge. If an
19 insurance producer collects taxes under this subsection, the insurance producer shall return
20 directly to the policyholder the taxes that the state credited to the licensee on any portion
21 of the premium that is unearned at the termination of the insurance. The insurance pro-
22 ducer may not absorb the taxes or rebate any part of the taxes for any reason.**

23 **“(2) Each producer of nonadmitted wet marine and transportation insurance shall file
24 with the Director of the Department of Consumer and Business Services, in accordance with
25 the director’s prescription, a verified report of any Oregon home state risk nonadmitted wet
26 marine and transportation insurance the producer transacted during the previous 90 days
27 and shall accompany the report with payment of the tax due on each transaction. The report
28 need not show transacted insurance that the producer filed in an earlier report. The report
29 must show:**

30 **“(a) Gross amount of premiums or return premium; and**

31 **“(b) The amount of the tax.**

32 **“(3) The director may require insurance producers to file the report described in sub-
33 section (2) of this section on a form the director specifies or on a form that the Surplus Line
34 Association of Oregon prescribes. If the director specifies that a producer must file the re-
35 port on a Surplus Line Association of Oregon form, the association shall file the report with**

1 the director. The director may also permit electronic filing and may exempt a licensee from
2 the requirement to file for good cause shown.

3 “(4) Notwithstanding subsection (2) of this section, if an insurance producer’s license is
4 terminated or not renewed for any reason, the taxes described in this section are due on the
5 30th day after the termination or nonrenewal.

6 “(5) The director by rule may establish requirements for filing reports on nonadmitted
7 wet marine and transportation insurance transacted outside this state on Oregon home state
8 risks for the purpose of collecting taxes on insurance that covers Oregon home state risks
9 that is placed outside this state.

10 “(6) The director may collect taxes on 100 percent of the gross amount of premiums on
11 Oregon home state risks for the purposes of carrying out the Nonadmitted and Reinsurance
12 Reform Act of 2010 (P.L. 111-203, Title V, Subtitle B). If the director enters into a compact
13 or otherwise establishes procedures with other states under ORS 735.418, the director by rule
14 shall establish procedures to facilitate reporting, collecting, paying, allocating and disbursing
15 premium taxes on Oregon home state risks that also include risks that are allocable to other
16 states.

17 “(7) If an insurance producer does not pay within the prescribed time a tax the producer
18 must collect under this section, the director may bring an action against the insurance
19 producer to recover the amount of the unpaid tax.

20 “SECTION 9. Sections 6 to 8 of this 2019 Act and the amendments to ORS 731.808, 731.824,
21 731.828 and 735.430 by sections 1 to 4 of this 2019 Act apply to contracts for insurance that
22 an insurer issues or renews on or after the effective date of this 2019 Act.”.

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