

HB 2787-A4
(LC 3747)
5/3/19 (TSB/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of the Department of Consumer and Business Services)

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2787**

1 On page 4 of the printed A-engrossed bill, line 34, delete “section 6” and
2 insert “sections 6 and 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**
5 **a part of ORS 731.808 to 731.828.”.**

6 Delete line 45 and delete page 5 and insert:

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

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

19 **“SECTION 8. (1) An insurance producer that places wet marine and**
20 **transportation insurance with a nonadmitted insurer shall collect**
21 **taxes on the insurance in addition to the gross amount of premiums**

1 the insurance producer and other intermediaries charge. If an insur-
2 ance producer collects taxes under this subsection, the insurance pro-
3 ducer shall return directly to the policyholder the taxes that the state
4 credited to the licensee on any portion of the premium that is un-
5 earned at the termination of the insurance. The insurance producer
6 may not absorb the taxes or rebate any part of the taxes for any rea-
7 son.

8 “(2) Each producer of nonadmitted wet marine and transportation
9 insurance shall file with the Director of the Department of Consumer
10 and Business Services, in accordance with the director’s prescription,
11 a verified report of any Oregon home state risk nonadmitted wet ma-
12 rine and transportation insurance the producer transacted during the
13 previous 90 days and shall accompany the report with payment of the
14 tax due on each transaction. The report need not show transacted in-
15 surance that the producer filed in an earlier report. The report must
16 show:

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

18 “(b) The amount of the tax.

19 “(3) The director may require insurance producers to file the report
20 described in subsection (2) of this section on a form the director
21 specifies or on a form that the Surplus Line Association of Oregon
22 prescribes. If the director specifies that a producer must file the report
23 on a Surplus Line Association of Oregon form, the association shall
24 file the report with the director. The director may also permit elec-
25 tronic filing and may exempt a licensee from the requirement to file
26 for good cause shown.

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

1 “(5) The director by rule may establish requirements for filing re-
2 ports on nonadmitted wet marine and transportation insurance trans-
3 acted outside this state on Oregon home state risks for the purpose
4 of collecting taxes on insurance that covers Oregon home state risks
5 that is placed outside this state.

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

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

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

23
