

HB 2045 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/10

WHAT THE MEASURE DOES:

Directs Department of Consumer and Business Services to conduct a study regarding accreditation with National Association of Insurance Commissioners and report to legislative committee by December 31, 2022.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Replaces original measure. Adopts model law of National Association of Insurance Commissioners regarding credit for reinsurance. Lowers from \$100 million to \$10 million the minimum trusted surplus of multibeneficiary trust that must be maintained by accredited reinsurer. Authorizes exchange between Department of Consumer and Business Services and Department of Revenue of tax returns and all other information necessary to carry out provisions regarding retaliatory taxes. Takes effect 91st day following adjournment sine die.

BACKGROUND:

The Department of Consumer and Business Services (DCBS) is statutorily required to maintain accreditation of the state's insurance regulatory program by the National Association of Insurance Commissioners (NAIC). ORS 731.574. The model laws developed by NAIC are an important part of the national system of state-based insurance regulations. Model laws adopted by individual states is beneficial to both insurance carriers and consumers. House Bill 2045 codifies NAIC's model law regarding credit for reinsurance. The measure also provides authority for DCBS and the Department of Revenue to exchange tax returns and other information necessary for the Department to carry out statutory provisions regarding retaliatory taxes.