

SB 463 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/21

WHAT THE MEASURE DOES:

The measure requires the Oregon Department of Administrative Services to submit a report by August 30 of each even-numbered year to the Legislative Assembly on the financial condition and stability of the state's Insurance Fund.

Detailed Summary:

Requires the Oregon Department of Administrative Services (DAS) to submit a report to the Legislative Assembly by August 30 of every even-numbered year on the financial condition and stability of the state's Insurance Fund. Specifies minimum contents of the report. Requires the report to include recommended strategies and actions necessary to achieve and maintain solvency and actuarial soundness of the Insurance Fund. Permits DAS to contract with an external entity to conduct or assist with conducting the research and preparation of the report. Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon law provides an Insurance Fund, which is separate from the State Treasury and the General Fund. The Insurance Fund is used to provide insurance and self-insurance for the state of Oregon and participating local bodies. The Insurance Fund is to operate on an actuarially sound basis. The Insurance Fund is funded through agency assessments. The Insurance Fund pays for commercial insurance premiums, and losses and settlements.

During the 2024 legislative session, DAS presented at an informational on the Insurance Fund before the Joint Subcommittee on General Government. Presenters noted that the health of the Insurance Fund is deteriorating. The presenters forecasted that without significant additional funding, assets in the Insurance Fund would be depleted this biennium. The presentation noted that assets relative to liabilities in the Insurance Fund are declining and that the Insurance Fund has insufficient income.

Senate Bill 463 requires DAS to submit a report by August 30 of each even-numbered year to the Legislative Assembly on the financial condition and stability of the state's Insurance Fund.