

HB 2787 B STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kaitlyn Harger, Economist

Meeting Dates: 6/11, 6/12

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:

- Difficulty of current administration of the tax
- Admitted versus non-admitted insurers

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.