

HOUSE AMENDMENTS TO HOUSE BILL 2787

By COMMITTEE ON BUSINESS AND LABOR

April 2

1 On page 1 of the printed bill, line 3, after “ORS” insert “731.808,” and delete “735.470” and in-
2 sert “735.430”.

3 On page 3, delete lines 30 through 45 and delete page 4 and insert:

4 “**SECTION 3.** ORS 735.430 is amended to read:

5 “735.430. (1) The Surplus Line Association of Oregon [*shall be*] **is** the advisory organization of
6 surplus lines licensees to:

7 “(a) Facilitate and encourage compliance by resident and nonresident surplus lines licensees
8 with the laws of this state and the rules of the Director of the Department of Consumer and Busi-
9 ness Services relative to surplus lines insurance;

10 “(b) Provide means for the examination, which [*shall*] **must** remain confidential as provided in
11 ORS 705.137, of all surplus lines coverage written by resident and nonresident surplus lines licensees
12 to determine whether the coverages comply with the Oregon Surplus Lines Law;

13 “(c) Communicate with organizations of admitted insurers with respect to the proper use of the
14 surplus lines market;

15 “(d) Receive and disseminate to resident and nonresident surplus lines licensees information
16 relative to surplus lines coverages; and

17 “(e) At the request of the director, receive and collect on behalf of the state and remit to the
18 state premium receipts taxes for surplus lines **and wet marine and transportation** insurance
19 [*pursuant to*] **under** ORS 735.417 or 735.470 **or section 6 of this 2019 Act.**

20 “(2) The Surplus Line Association of Oregon shall file with the director:

21 “(a) A copy of [*its*] **the association’s** constitution, articles of agreement or association or cer-
22 tificate of incorporation;

23 “(b) A copy of [*its*] **the association’s** bylaws and rules governing [*its*] **the association’s** activ-
24 ities;

25 “(c) A current list of members;

26 “(d) The name and address of a resident of this state upon whom notices or orders of the di-
27 rector or processes issued at the direction of the director may be served;

28 “(e) An agreement that the director may examine the Surplus Line Association of Oregon in
29 accordance with the provisions of this section; and

30 “(f) A schedule of fees and charges.

31 “(3) The director may make or cause to be made an examination of the Surplus Line Association
32 of Oregon. The reasonable cost of any [*such*] examination [*shall*] **must** be paid by the association
33 [*upon presentation to it by the director of*] **at the time the director presents** a detailed account **to**
34 **the association** of each cost. The officers, managers, agents and employees of the association may
35 be examined at any time, under oath, and shall exhibit all books, records, accounts, documents or

1 agreements governing [its] **the association's** method of operation. The director shall furnish two
2 copies of the examination report to the association and shall notify the association that [it] **the**
3 **association** may, within 20 days [thereof] **after receiving the report**, request a hearing on the re-
4 port or on any facts or recommendations [therein] **in the report**. If the director finds **that** the as-
5 sociation or any member [thereof] **of the association** [to be in violation of] **has violated** ORS 735.400
6 to 735.495, the director may issue an order requiring the discontinuance of [such] **the** violation.

7 “(4)(a) The Surplus Line Association of Oregon may charge resident and nonresident surplus
8 lines licensees and [nonresident producing] insurance producers a fee for reviewing surplus lines **and**
9 **wet marine and transportation insurance** policies and for collecting, on behalf of the state, taxes
10 imposed under ORS 735.470 **and section 6 of this 2019 Act**.

11 “(b) The association may charge insureds a fee for collecting, on behalf of the state, reports
12 required and taxes imposed under ORS 735.417.

13 “(c) The association shall adopt bylaws implementing paragraphs (a) and (b) of this subsection.

14 “**SECTION 4.** ORS 731.808 is amended to read:

15 “731.808. As used in ORS 731.804, 731.812 and 731.820 **and section 6 of this 2019 Act**, ‘gross
16 amount of premiums’ means the consideration paid by insureds to an insurer for policies of insur-
17 ance, and includes all premiums, assessments, dues and fees received or derived, or obligations taken
18 therefor, by whatever term known.

19 “**SECTION 5. Section 6 of this 2019 Act is added to and made a part of ORS 731.808 to**
20 **731.828.**

21 “**SECTION 6. An insurance producer shall pay to the Director of the Department of**
22 **Consumer and Business Services a premium tax that is equal to three-fourths of one percent**
23 **of the gross amount of premiums the insurance producer receives for wet marine and**
24 **transportation insurance that the insurance producer places with unauthorized or nonad-**
25 **mitted insurers if the insured's home state is Oregon.**

26 “**SECTION 7. Section 6 of this 2019 Act and the amendments to ORS 731.808, 731.824,**
27 **731.828 and 735.430 by sections 1 to 4 of this 2019 Act apply to contracts for insurance that**
28 **an insurer issues or renews on or after the effective date of this 2019 Act.”.**