

SB 45 STAFF MEASURE SUMMARY

**Senate Committee On Judiciary and Ballot Measure 110
Implementation**

Prepared By: Channa Newell, Counsel

Meeting Dates: 3/4, 3/11

WHAT THE MEASURE DOES:

Prohibits life insurance polices from excluding coverage for loss of life resulting from another person's act of terrorism. Takes effect 91 days after adjournment.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon law currently prohibits three provisions in life insurance policies. A life insurance policy may not: shorten the time in which an action may be brought to less than three years; take effect or purport to be issued more than six months before the original application for insurance was made; or forfeit the policy for failure to repay a loan on the policy when the total indebtedness is less than the loan value.

Senate Bill 45 adds an additional exclusion to the prohibitions in life insurance policies. The measure prohibits a life insurance policy from excluding coverage for loss of life that results from another person's act of terrorism.