

**SB 149 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

---

**Action Date:** 03/03/21

**Action:** Do pass and refer to Tax Expenditures by prior reference.

**Vote:** 5-0-0-0

**Yeas:** 5 - Boquist, Burdick, Findley, Riley, Wagner

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 2/9, 3/1, 3/3

---

**WHAT THE MEASURE DOES:**

Extends sunset from January 1, 2022 to January 1, 2028, of tax credit against corporate income taxes for certain assessments paid to the Oregon Life and Health Insurance Guaranty Association.

**ISSUES DISCUSSED:**

- Oregon Life and Health Insurance Guaranty (OLHIGA) assessment levied in instances when an insurer becomes insolvent
- Amount of tax credit is equal to amount of assessment levied
- Credit cannot be transferred
- With sufficient tax liability, insurer is able to receive full benefit of tax credit over five years
- Amount of reimbursement consumers receive following an insurer insolvency.

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Oregon Life & Health Insurance Guaranty Association (OLHIGA) was established in 1975 and is composed of all insurers licensed to sell life insurance, accident and health insurance, and individual annuities in Oregon. Membership is mandatory. In the event an insurer becomes insolvent, the Association pays claims to the policy beneficiaries. The cost of such claims is recouped by a matching assessment paid by each participating insurer. The insurers are then allowed to claim an annual corporate income tax credit that is equal to 20 percent of the assessment. The credit may be claimed for five years so that the entire assessment is covered.