

**SB 45 STAFF MEASURE SUMMARY**

**Carrier:** Sen. Prozanski

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

---

**Action Date:** 03/11/21

**Action:** Do pass.

**Vote:** 4-3-0-0

**Yeas:** 4 - Dembrow, Gelser, Manning Jr, Prozanski

**Nays:** 3 - Heard, Linthicum, Thatcher

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Channa Newell, Counsel

**Meeting Dates:** 3/4, 3/11

---

**WHAT THE MEASURE DOES:**

Prohibits life insurance policies from excluding coverage for loss of life resulting from another person's act of terrorism. Takes effect 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Insurance industry changes following September 11, 2001 terrorist attacks
- Insurance policies or terms may be disapproved if unjust, unfair, or inequitable
- Definition of terrorism usually defined in life insurance policy
- Does not require payment of benefits on person responsible for act of terrorism
- Effect of measure on insurance products subject to interstate-compact

**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.