



Oregon

Tina Kotek, Governor



Division of
Financial
Regulation

Department of Consumer
and Business Services

SB 376-1: NAIC Accreditation

Background

As Oregon's insurance regulator, the Department of Consumer and Business Services is statutorily required to obtain and maintain accreditation by the National Association of Insurance Commissioners (NAIC), the U.S. trade association for insurance regulators. As a member of NAIC, the department actively participates in the national system of state-based insurance regulation.

NAIC's accreditation program ensures that state insurance departments perform adequate and timely financial analysis and examinations, maintain appropriate organizational and personnel practices, and have sufficient resources and statutory authority to carry out their regulatory duties.

-1 Amendment

As part of the NAIC's accreditation standards, each state was previously directed to adopt legislation requiring many insurers to file annual reports known as Own Risk Solvency Assessment (ORSA) and Corporate Governance Annual Disclosure (CGAD). These requirements are codified in Oregon law as ORS 732.650 to 732.689.

However, health insurance carriers organized as "health care service contactors" under ORS Chapter 750 – including many of Oregon's major domestic companies – do not currently have a statutory requirement to submit these reports, as Chapter 750 does not currently apply the ORSA and CGAD statutes to these entities. This puts Oregon's statute out of alignment with applicable NAIC model laws. The -1 amendment remedies the situation by adding the needed statutory references to ORS 750.055.

Health care service contractors are currently providing the department with these reports, so this will not represent a significant change from the status quo for the industry. However, this statutory revision will help ensure Oregon's compliance with accreditation requirements in this area going forward.



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