

SB 831 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

The measure requires that a person who has ultimate control of an insurer that is required by law to register with the Director of the Department of Consumer and Business Services (DCBS) each year to file an NAIC group capital calculation with the chief insurance regulatory official with the registration, unless otherwise exempted. Requires that a person who has ultimate control of an insurer that is required by law to register with DCBS and who meets the scope criteria for the NAIC liquidity stress test framework in any data year, to conduct a test in accordance with NAIC liquidity stress test framework and file the results of the test with the chief insurance regulatory official, concurrent with registration. Defines key terms. Operative on January 1, 2026. Takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Section 1

Defines "NAIC group capital calculation" as a calculation made in accordance with instructions that the Director of the Department of Consumer and Business Services (DCBS) adopts by rules based on instructions that the National Association of Insurance Commissioners publishes for the purpose of specifying the method of calculation. Defines "NAIC liquidity stress test framework" as a method for testing an insurer's liquidity that the director adopts by rule based on a method the National Association of Insurance Commissioners describes in a publication by the association that includes instructions and reporting templates and that identifies scope criteria that apply to a specific data year. Defines "scope criteria" as a bases and minimum magnitudes of exposure under which a preliminary list of insurers may be designated for inclusion in the NAIC liquidity stress test framework for a specific data year.

Section 2

Specifies that information that may not otherwise be subject to disclosure for the purpose of an insurer registering with DCBS as required by law may be subject to disclosure for the purposes of NAIC group capital calculation or a NAIC liquidity stress test framework test.

Section 3

Requires that a person who has ultimate control of an insurer that is required by law to register with DCBS each year to file an NAIC group capital calculation with the chief insurance regulatory official with the registration. Provides specified exceptions to requirement to file NAIC group capital calculation. Permits the chief insurance regulatory official to exempt a person with ultimate control of an insurer from requirement to file NAIC group capitol calculation or permit them to file a limited group capital calculation or report in accordance with criteria the chief insurance regulatory official specifies by rule or order. Specifies what must be includes in a NAIC liquidity stress test framework. Requires that a person who has ultimate control of an insurer that is required by law to register with DCBS and who meets the scope criteria for the NAIC liquidity stress test framework in any data year, to conduct a test in accordance with NAIC liquidity stress test framework and file the results of the test with the chief insurance regulatory official, concurrent with registration.

Section 4

This summary has not been adopted or officially endorsed by action of the committee.

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Permits the director of DCBS to require an insurer to secure and maintain a deposit or bond when the director determines that the continued operation of an authorized insurer is hazardous to the insurer's policyholders or to the insurance-buying public generally, or that the insurer is in a condition that is grounds for supervision, conservation, or a delinquency proceeding. Specifies that all records and data of an insurer that an affiliate holds remain the property of an insurer and must be subject to the insurer's control, identifiable, and segregated or readily capable of segregation from the data and records of all other persons, at no additional cost to the insurer. Subjects affiliates to the jurisdiction and authority of a supervisor, conservator, rehabilitator, or liquidator appointed for an insurer for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under a contract or agreement to perform services for the insurer.

Section 5

Specifies that sections 1 to 4 apply to contracts or agreements an insurer enters or renews on or after operative date of measure.

Section 6

Operative on January 1, 2026.

Section 7

Takes effect on the 91st day following adjournment sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Department of Consumer and Business Services (DCBS) is a consumer protection and business regulatory agency. DCBS serves as a resource for consumers and businesses in several areas, including building safety, finance, and workplace health and safety. The divisions within DCBS include Building Codes, Financial Regulation, Oregon OSHA, and Workers' Compensation. In part, the Division of Financial Regulation (DFR) works to ensure a stable and competitive insurance marketplace. DFR ensures that insurance companies are financially sound and that rates are reasonable by monitoring insurance companies finances, investigating consumer complaints, and licensing insurance companies.

The National Association of Insurance Commissioners (NAIC) provides data and expertise to assist with the regulation of the insurance industry and protect consumers. NAIC is governed by the chief insurance regulators from all 50 states, the District of Columbia, and five U.S. territories.

Senate Bill 831 requires that a person who has ultimate control of an insurer that is required by law to register with the Director of the Department of Consumer and Business Services (DCBS) each year to file an NAIC group capital calculation with the chief insurance regulatory official with the registration, unless otherwise exempted. Requires that a person who has ultimate control of an insurer that is required by law to register with DCBS and who meets the scope criteria for the NAIC liquidity stress test framework in any data year, to conduct a test in accordance with NAIC liquidity stress test framework and file the results of the test with the chief insurance regulatory official, concurrent with registration.