

HB 2130 STAFF MEASURE SUMMARY

House Committee On Commerce and Consumer Protection

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Meeting Dates: 2/11, 3/4

WHAT THE MEASURE DOES:

This measure increases the amount that the Oregon Insurance Guaranty Association would be obliged to pay to a cap of \$600,000 if one of their member insurers becomes insolvent. Establishes the Oregon Insurance Guaranty Association responsibility to cyber security insurance policies Takes effect on 91st day following adjournment sine die.

Fiscal: Minimal Impact

Revenue: No Impact

ISSUES DISCUSSED:

- How the Oregon Insurance Guaranty Association (Association) is funded
- How this cap increase would change operations for the Association
- why \$600,000 was determined to be the new cap

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Insurance Guaranty Association (Association) is a non-profit statutory entity created and governed by ORS 734.510 – ORS 734.710 in 1971. it is the property and casualty insurance guaranty association for the State of Oregon. The Association is composed of most insurance companies licensed to sell property and casualty insurance in Oregon.

In the event that a member insurer is deemed insolvent and is ordered to be liquidated by a court, Oregon state law enables the Association to provide protection up to the limits specified by state law to certain Oregon based policyholders and claimants who are holders of property and casualty insurance policies issued by the insolvent member insurer.