

SB 831 A STAFF MEASURE SUMMARY

House Committee On Commerce and Consumer Protection

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Meeting Dates: 5/1

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) to file a group capital calculation with the chief insurance regulatory official with the registration, unless otherwise exempted. It 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 a specified liquidity stress test framework, to conduct a test in accordance with the liquidity stress test framework and file the results of the test with the chief insurance regulatory official, concurrent with registration. The measure prohibits disclosure of specified information, defines key terms and is operative on January 1, 2026. It takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Section 1

Defines "group capital calculation," "NAIC liquidity stress test framework," and "scope criteria." Modifies definition for "insurance holding company system."

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 a group capital calculation or a test in accordance with the NAIC liquidity stress test framework.

Section 3

Requires that a person who has ultimate control of an insurer that is required by law to register with the Department of Consumer and Business Services (DCBS) each year to file a group capital calculation with the chief insurance regulatory official with the registration. Provides specified exceptions. Permits the chief insurance regulatory official to exempt a person with ultimate control of an insurer from requirement to file a group capital 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 included 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, 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

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

SB 831 A STAFF MEASURE SUMMARY

to the insurer. Subjects specified affiliates to the jurisdiction of supervision, seizure, conservator, rehabilitator, or liquidator proceedings against the insurer and to the authority of a supervisor, conservator, rehabilitator, or liquidator appointed pursuant to law for purposes of interpreting, enforcing, and overseeing the affiliate's specified obligations under contract or agreement to perform services for the insurer.

Section 5

Requires the chief insurance regulatory official to maintain confidentiality of specified information. Prohibits an insurer, broker, or other person engaged in any manner in the insurance business from publishing, disseminating, circulating, or placing before the public specified information. Provides exception to this prohibition.

Section 6

Applies measure to contracts or agreements that an insurer enters or renews on or after operative date.

Section 7

Operative on January 1, 2026.

Section 8

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

Fiscal impact: Minimal Fiscal Impact

Revenue impact: No Revenue Impact

SENATE VOTE: Ayes, 26; Nays, 1

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 A requires that a person who has ultimate control of an insurer that is required by law to register with DCBS to file a group capital calculation with the chief insurance regulatory official with the registration, unless otherwise exempted. It also 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, 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. SB 831 A also prohibits disclosure of specified information.