

**SB 463 B STAFF MEASURE SUMMARY****Carrier:** Rep. Reschke**House Committee On Commerce and Consumer Protection****Action Date:** 05/06/25**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 8-0-2-0**Yeas:** 8 - Cate, Chaichi, Chotzen, Gomberg, Neron, Osborne, Sosa, Walters**Exc:** 2 - Reschke, Wallan**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Andrew Hendrie, LPRO Analyst**Meeting Dates:** 5/1, 5/6**WHAT THE MEASURE DOES:**

The measure requires the Oregon Department of Administrative Services (DAS) to submit a report by January 31 of each even-numbered year to the Legislative Assembly on the financial condition and stability of the state's Insurance Fund. It specifies minimum contents of the report, requires the report to include recommended strategies and actions necessary to achieve and maintain the solvency and actuarial soundness of the Insurance Fund, and permits DAS to contract with an external entity to conduct or assist with conducting the report. The measure declares an emergency and is effective on passage.

**ISSUES DISCUSSED:**

- Provisions of the measure

**EFFECT OF AMENDMENT:**

The amendment extends the latest delivery date of the report to January 31st. It removes the requirement for the report to include a list of pending claims expected to be paid and makes technical fixes to the measure.

**BACKGROUND:**

Oregon law provides an Insurance Fund, which is separate from the State Treasury and the General Fund. The Insurance Fund is used to provide insurance and self-insurance for the state of Oregon and participating local bodies. The Insurance Fund is to operate on an actuarially sound basis. The Insurance Fund is funded through agency assessments. The Insurance Fund pays for commercial insurance premiums, as well as losses and settlements.

During the 2024 legislative session, Oregon Department of Administrative Services (DAS) presented at an informational hearing on the Insurance Fund before the Joint Subcommittee on General Government. Presenters noted that the health of the Insurance Fund is deteriorating. The presenters forecasted that without significant additional funding, assets in the Insurance Fund would be depleted this biennium. The presentation noted that assets relative to liabilities in the Insurance Fund are declining and that the Insurance Fund has insufficient income.

Senate Bill 463 B requires DAS to submit a report by January 31 of each even-numbered year to the Legislative Assembly on the financial condition and stability of the state's Insurance Fund.