

SB 831-1
(LC 392)
3/17/25 (TSB/ps)

Requested by SENATE COMMITTEE ON LABOR AND BUSINESS

**PROPOSED AMENDMENTS TO
SENATE BILL 831**

1 On page 1 of the printed bill, line 2, after “732.569” insert a comma.

2 In line 3, delete “and 732.574” and insert “732.574 and 732.586”.

3 Delete lines 5 through 19 and delete pages 2 through 8 and insert:

4 **“SECTION 1. ORS 732.548 is amended to read:**

5 **“732.548. As used in ORS 732.517 to 732.596:**

6 “(1) ‘Affiliate’ means a person that directly or indirectly, through one or
7 more intermediaries, controls, is controlled by, or is under common control
8 with, another person.

9 “(2) ‘Control’ means possessing the direct or indirect power to manage a
10 person or set the person’s policies, whether by owning voting securities, by
11 contract other than a commercial contract for goods or nonmanagement
12 services, or otherwise, unless the power is the result of an official position
13 or corporate office the person holds.

14 “(3) ‘Enterprise risk’ means an activity, circumstance, event or series of
15 events that involve one or more of an insurer’s affiliates and that, if not
16 remedied promptly, are likely to have an adverse material effect on the
17 insurer’s or the insurance holding company system’s financial condition or
18 liquidity, including but not limited to an activity, circumstance, event or
19 series of events that would cause the insurer’s risk-based capital to fall into
20 company action level or cause the Director of the Department of Consumer
21 and Business Services to determine under ORS 731.385 that the insurer is in

hazardous financial condition.

“(4) ‘Group capital calculation’ means a calculation made in accordance with instructions that the director adopts by rule based on, or with reference to, instructions that the National Association of Insurance Commissioners publishes for the purpose of specifying the method of calculation.

“[(4)] (5) ‘Group-wide supervisor’ means a regulatory official that has the authority to conduct and coordinate supervisory activities for an internationally active insurance group under ORS 732.594.

“[(5)] (6) ‘Insurance holding company system’ means two or more affiliated persons, one or more of which is an insurer[,] and [includes] may be a financial holding company, as described in section 103 of the federal Gramm-Leach-Bliley Act (P.L. 106-102), that has an affiliated insurer.

“[(6)] (7) ‘Insurer’ has the meaning given that term in ORS 731.106 but does not include an agency, authority or instrumentality of the United States, the Commonwealth of Puerto Rico, another state or a political subdivision of another state.

“[(7)] (8) ‘Internationally active insurance group’ means an insurance holding company system that includes an insurer that is registered under ORS 732.551 and that:

“(a) Writes premiums in three or more countries;

“(b) Writes 10 percent or more of the insurance holding company system’s total gross written premiums outside the United States; and

“(c) Has \$50 billion or more of total assets, or \$10 billion or more of total gross written premiums, based on a three-year rolling average.

“(9) ‘NAIC liquidity stress test framework’ means a method for testing an insurer’s liquidity that the director adopts by rule based on, or with reference to, a method or methods the National Association of Insurance Commissioners describes in a publication by the association that includes instructions and reporting templates and that

1 **identifies scope criteria that apply to a specific data year.**

2 “[8)(a)] (10)(a) ‘Person’ means an individual, corporation, limited liability
3 company, partnership, association, joint stock company, trust or unincor-
4 porated organization, or an entity or combination of entities similar to the
5 entities described in this paragraph.

6 “(b) ‘Person’ does not include:

7 “(A) A joint venture partnership that is engaged exclusively in owning,
8 managing, leasing or developing real or tangible personal property; or

9 “(B) For the purposes of ORS 732.518, 732.521, 732.523, 732.526 and 732.528,
10 a securities broker that holds, in the usual and customary broker’s function,
11 less than 20 percent of the voting securities of an insurer or of any person
12 that controls an insurer.

13 “(11) ‘Scope criteria’ means bases and minimum magnitudes of ex-
14 posure under which a preliminary list of insurers may be designated
15 for inclusion in the NAIC liquidity stress test framework for a specific
16 data year.

17 “[9)] (12) ‘Security holder’ means a person that owns a security of an-
18 other person, including a security denominated as common stock, preferred
19 stock or a debt obligation and any instrument that is convertible into or that
20 is evidence of the right to acquire the security of another person.

21 “[10)] (13) ‘Subsidiary’ means an affiliate that a person controls directly
22 or indirectly through one or more intermediaries.

23 “[11)] (14) ‘Voting security’ means a security that entitles the owner or
24 holder of the security to vote at a meeting of shareholders, including a se-
25 curity that is convertible into a voting security or that is evidence of a right
26 to acquire a voting security.

27 **“SECTION 2.** ORS 732.553 is amended to read:

28 **“732.553. (1) Except as provided in subsection (2) of this section,** in-
29 formation that is not material for the purposes of registration under ORS
30 732.517 to 732.596 need not be disclosed on the registration statement filed

1 pursuant to ORS 732.552. Unless the Director of the Department of Consumer
2 and Business Services by rule or order provides otherwise, sales, purchases,
3 exchanges, loans or extensions of credit, investments or guarantees involving
4 one-half of one percent or less of an insurer's admitted assets as of the De-
5 cember 31 next preceding the date of the registration statement or amend-
6 ment [*shall not be deemed*] **are not** material for purposes of registration
7 under ORS 732.517 to 732.596.

8 **“(2) A determination under subsection (1) of this section as to**
9 **whether a sale, purchase, exchange, loan, extension of credit invest-**
10 **ment or guarantee is material for the purposes of registration does**
11 **not apply to the registration statement, or elsewhere, for purposes of**
12 **a group capital calculation or a test in accordance with the NAIC**
13 **liquidity stress test framework, unless the director provides otherwise**
14 **by rule or order.**

15 **“SECTION 3. ORS 732.569 is amended to read:**

16 **“732.569. (1)** Every insurer that must register with the Director of the
17 Department of Consumer and Business Services under ORS 732.551 shall file
18 an enterprise risk report each year. The enterprise risk report must identify,
19 to the best of the insurer's knowledge and belief, the material risks within
20 the insurance holding company system of which the insurer is a part that
21 could pose enterprise risk to the insurer. The insurer shall file the enterprise
22 risk report with the chief insurance regulatory official in the state that the
23 director determines is the lead state for the insurance holding company sys-
24 tem of which the insurer is a part. The director shall make the determination
25 in accordance with procedures the director adopts by rule after considering
26 procedures set forth in a Financial Analysis Handbook that the National
27 Association of Insurance Commissioners has adopted.

28 **“(2)(a) Except as provided in paragraph (b) of this subsection, and**
29 **under the direction of the chief insurance regulatory official described**
30 **in subsection (1) of this section, the person that has ultimate control**

1 of an insurer that is subject to registration under ORS 732.551 each
2 year shall file a group capital calculation with the chief insurance
3 regulatory official, together with the registration. The chief insurance
4 regulatory official may permit a person other than the person that has
5 ultimate control of the insurer to file the group capital calculation.

6 “(b) An insurance holding company system need not file a group
7 capital calculation with the chief insurance regulatory official if the
8 insurance holding company system:

9 “(A) Has within the insurance holding company system only one
10 insurer that writes insurance only with the insurer’s domestic state
11 and does not assume business from any other insurer;

12 “(B) Must perform a group capital calculation specified by the
13 United States Federal Reserve Board, except that the insurance hold-
14 ing company system must file a group capital calculation with the
15 chief insurance regulatory official if the board refuses a request for
16 the group capital calculation under the terms of an information shar-
17 ing agreement in effect at the time of the chief insurance regulatory
18 official’s request;

19 “(C) Has a group-wide supervisor that is located outside the United
20 States but within a reciprocal jurisdiction described in ORS 731.520
21 that recognizes the regulatory approach of this state toward group
22 supervision and group capital; or

23 “(D) Provides to the lead state, directly or indirectly through the
24 group-wide supervisor, information that the group-wide supervisor:

25 “(i) Determines will meet the requirements for accreditation under
26 the National Association of Insurance Commissioners’ financial stan-
27 dards and accreditation program and is sufficient to allow the lead
28 state to comply with the group supervision approach detailed in a Fi-
29 nancial Analysis Handbook that the National Association of Insurance
30 Commissioners has adopted; and

1 “(ii) Recognizes and accepts, in accordance with criteria the direc-
2 tor specifies by rule or order, as the worldwide group capital assess-
3 ment for United States insurance groups that operate within the
4 group-wide supervisor’s jurisdiction, if the group-wide supervisor is
5 located outside the United States and not in a reciprocal jurisdiction
6 as described in ORS 731.520.

7 “(3) Notwithstanding the provisions of subsection (2)(b)(C) and (D)
8 of this section, the chief insurance regulatory official described in
9 subsection (1) of this section shall require an insurance holding com-
10 pany system that is based outside the United States to provide a group
11 capital calculation for the insurance holding company system’s oper-
12 ations within the United States if the chief insurance regulatory offi-
13 cial determines, after any necessary consultation with other
14 supervisors or officials, that having the group capital calculation is
15 appropriate for the purposes of prudential oversight and monitoring
16 the solvency of the insurance holding company system or for ensuring
17 the competitiveness of the insurance marketplace.

18 “(4) Notwithstanding the provisions of subsection (2)(b) of this sec-
19 tion, the chief insurance regulatory official described in subsection (1)
20 of this section may exempt a person that has ultimate control of an
21 insurer from the requirement to file a group capital calculation or
22 may accept a limited group capital calculation or report in accordance
23 with criteria the chief insurance regulatory official specifies by rule
24 or order.

25 “(5) If the chief insurance regulatory official described in subsection
26 (1) of this section determines that an insurance holding company sys-
27 tem no longer qualifies for an exemption from the requirement to file
28 a group capital calculation, the insurance holding company system
29 shall file the group capital calculation as provided in subsection (2)(a)
30 of this section unless the chief insurance regulatory official extends

1 the time for filing for reasonable grounds shown.

2 “(6) The person that has ultimate control of an insurer that is
3 subject to registration under ORS 732.551 and that during any data
4 year meets the scope criteria for the NAIC liquidity stress test
5 framework shall, concurrently with registration, conduct for that data
6 year a test in accordance with the NAIC liquidity stress test frame-
7 work and file the results of the test with the chief insurance regula-
8 tory official described in subsection (1) of this section.

9 “(7)(a) The NAIC liquidity stress test framework must:

10 “(A) Include scope criteria that apply to a specific data year; and

11 “(B) Be reviewed at least once each year by the National Associ-
12 ation of Insurance Commissioners’ financial stability task force, or a
13 successor.

14 “(b) A performance of, and filing of results from, a specific year’s
15 liquidity stress test must comply with the NAIC liquidity stress test
16 framework’s instructions and reporting templates for that year and
17 any determinations of the chief insurance regulatory official described
18 in subsection (1) of this section, in consultation with the financial
19 stability task force or a successor, that are provided within the
20 framework.

21 “(c) A change to the NAIC liquidity stress test framework or to the
22 data year to which the scope criteria apply is effective on January 1
23 of the year following the year in which the change occurs.

24 “(8)(a) For the purposes of the requirements described in subsection
25 (6) of this section:

26 “(A) An insurer meets the scope criteria for a data year if the
27 insurer meets at least one criterion of the scope criteria, except that
28 the chief insurance regulatory official described in subsection (1) of
29 this section, in consultation with the financial stability task force or
30 a successor, may determine that the insurer need not conduct the test

1 **or file the results of the test.**

2 **“(B) An insurer shall perform a test and file the results of the test**
3 **in accordance with the instructions and templates included within the**
4 **NAIC liquidity stress test framework for the applicable data year.**

5 **“(b) An insurer need not conduct a test or file the results of the test**
6 **if the insurer does not meet any of the scope criteria for a data year,**
7 **except that the chief insurance regulatory official, in consultation**
8 **with the financial stability task force or a successor, may require the**
9 **insurer to conduct the test and file the results of the test despite not**
10 **meeting the scope criteria for the data year.**

11 **“SECTION 4. ORS 732.574 is amended to read:**

12 **“732.574. (1) A transaction within an insurance holding company system**
13 **to which an insurer subject to registration is a party is subject to the fol-**
14 **lowing standards:**

15 **“(a) The terms must be fair and reasonable.**

16 **“(b) Charges or fees for services performed must be reasonable.**

17 **“(c) Expenses incurred and payment received must be allocated to the**
18 **insurer in conformity with customary insurance accounting practices that**
19 **are consistently applied.**

20 **“(d) The books, accounts and records of each party to the transaction**
21 **must be maintained so as to disclose clearly and accurately the nature and**
22 **details of the transaction, including accounting information that is necessary**
23 **to support the reasonableness of the charges or fees to the respective parties.**

24 **“(e) The combined capital and surplus of the insurer following any**
25 **transaction with an affiliate or any shareholder dividend must be reasonable**
26 **in relation to the insurer’s outstanding liabilities and adequate to the**
27 **insurer’s financial needs.**

28 **“(f) Agreements for cost-sharing services and management must include**
29 **provisions that the Director of the Department of Consumer and Business**
30 **Services requires by rule.**

1 “(g)(A) If the director determines that the continued operation of
2 an authorized insurer is hazardous to the insurer’s policyholders or to
3 the insurance-buying public generally or that the insurer is in a con-
4 dition that is grounds for supervision, conservation or a delinquency
5 proceeding, in addition to the actions the director may order under
6 ORS 731.385, the director may require the insurer, for the insurer’s
7 protection, to secure and maintain with the director the insurer’s
8 choice of a deposit or a bond for the duration of the hazard or condi-
9 tion or the duration of a specific contract or agreement. The director
10 may, at the director’s sole discretion, determine the amount of the
11 deposit or bond, which may not exceed the value during any one year
12 of each contract or agreement for which the director requires a deposit
13 or bond. The director may require the deposit or bond for a single
14 contract, for more than one contract or for any or all contracts with
15 a specific party.

16 “(B) In determining whether to require a deposit or bond, the di-
17 rector shall consider how the requirement will affect the insurer’s
18 ability to perform a contract or agreement subject to, or affected by,
19 the requirement for the deposit or bond and the ability of parties to
20 the contract or agreement other than the insurer to perform the other
21 parties’ duties under the contract or agreement.

22 “(h)(A) All records and data of an insurer that an affiliate holds
23 remain the property of the insurer and must be subject to the
24 insurer’s control, be identifiable and be segregated or readily capable
25 of being segregated from the data and records of all other persons, all
26 at no additional cost to the insurer. Records and data subject to the
27 requirements of this subsection include, but are not limited to, claims
28 and claim files, policyholder lists, application files, litigation files,
29 premium records, rate books, underwriting manuals, personnel re-
30 cords, financial records or similar records and all other data or records

1 that are otherwise the insurer's property, in whatever form embodied
2 or maintained.

3 “(B) At an insurer's request, an affiliate that holds an insurer's
4 data and records shall provide to a receiver a complete set of the data
5 and records, however embodied or maintained, that pertain to the
6 insurer's business and shall provide access, by assumption of any ap-
7 plicable licenses or agreements or by other lawful means, to all oper-
8 ating systems and software on which the data and records are
9 maintained or that are necessary to view, retrieve, process, store,
10 print, export or otherwise use the data and records. The affiliate shall
11 otherwise restrict or discontinue the affiliate's own use of the data and
12 records if the affiliate is not operating the insurer's business.

13 “(C) An affiliate shall provide evidence of satisfaction or a waiver
14 of a lien or encumbrance if necessary to give a receiver access to data
15 or records stored in a location that is subject to the lien or
16 encumbrance because of the insurer's default under a lease or other
17 agreement.

18 “(D) Premiums or other funds of an insurer that an affiliate collects
19 or holds remain the exclusive property of, and are subject to the con-
20 trol of, the insurer. Any right of offset that arises because an insurer
21 is placed into receivership is subject to ORS 37.020 to 37.410.

22 “(2)(a) A domestic insurer and any person in the domestic insurer's in-
23 surance holding company system may enter into a transaction described in
24 this subsection, including an amendment to or modification of an affiliate
25 agreement that is subject to standards set forth in this section, only if:

26 “(A) The domestic insurer has notified the director of the domestic
27 insurer's intention to enter into the transaction in writing and not later than
28 the 30th day before the transaction, or within a shorter period the director
29 allows; and

30 “(B) The director does not disapprove the transaction within the period.

1 “(b) A notice for a transaction that is an amendment to or modification
2 of an affiliate agreement that was previously filed must include a statement
3 of reasons for the change and an estimate of the financial impact the change
4 would have on the domestic insurer. An insurer shall notify the director in-
5 formally within 30 days after a previously filed agreement has terminated,
6 and the director, after receiving the notice, shall determine the type of filing
7 the insurer must submit, if any.

8 “(c) This subsection does not authorize or permit any transaction that, in
9 the case of an insurer that is not a member of the same insurance holding
10 company system, would be otherwise contrary to law.

11 “(d) This subsection applies to the following transactions:

12 “(A) Sales, purchases, exchanges, loans or extensions of credit, guarantees
13 or investments, if the transactions equal or exceed the following:

14 “(i) With respect to insurers that are not authorized to transact life in-
15 surance, the lesser of three percent of the insurer’s allowed assets or 25
16 percent of the insurer’s combined capital and surplus, each as of the 31st day
17 of December immediately preceding.

18 “(ii) With respect to insurers that are authorized to transact life insur-
19 ance, three percent of the insurer’s allowed assets, as of the 31st day of De-
20 cember immediately preceding.

21 “(B) Loans or extensions of credit to any person that is not an affiliate,
22 if the insurer makes the loans or extensions of credit with the agreement or
23 understanding that the proceeds of the transactions, in whole or in substan-
24 tial part, are to be used to make loans or extensions of credit to, to purchase
25 assets of, or to make investments in any affiliate of the insurer that is
26 making the loans or extending the credit. This subparagraph applies to
27 transactions that equal or exceed the following:

28 “(i) With respect to insurers that are not authorized to transact life in-
29 surance, the lesser of three percent of the insurer’s allowed assets or 25
30 percent of the insurer’s combined capital and surplus, each as of the 31st day

1 of December immediately preceding.

2 “(ii) With respect to insurers that are authorized to transact life insur-
3 ance, three percent of the insurer’s allowed assets, as of the 31st day of De-
4 cember immediately preceding.

5 “(C) Reinsurance agreements or modifications to reinsurance agreements,
6 reinsurance pooling agreements and agreements in which the reinsurance
7 premium or a change in the insurer’s liabilities, the projected reinsurance
8 premium or a projected change in the insurer’s liabilities in any of the next
9 three years equals or exceeds five percent of the insurer’s combined capital
10 and surplus, as of the 31st day of December immediately preceding, including
11 agreements that may require as consideration the transfer of assets from an
12 insurer to a nonaffiliate if an agreement or understanding exists between the
13 insurer and nonaffiliate that any portion of the assets will be transferred to
14 one or more affiliates of the insurer.

15 “(D) All management agreements, service contracts, tax allocation agree-
16 ments, guarantees and all cost-sharing arrangements.

17 “(E) A guarantee that a domestic insurer makes if the guarantee is not
18 quantifiable as to amount. If the guarantee is quantifiable as to amount, the
19 domestic insurer is not required to notify the director under this section
20 unless the guarantee exceeds the lesser of one-half of one percent of the
21 insurer’s admitted assets or 10 percent of surplus with respect to
22 policyholders as of the 31st day of December immediately preceding.

23 “(F) Direct or indirect acquisitions or investments in a person that con-
24 trols the insurer or in an affiliate of the insurer, the amount of which, to-
25 gether with the insurer’s existing acquisitions or investments in the person
26 or affiliate, exceeds two and one-half percent of the insurer’s surplus to
27 policyholders. An insurer that acquires or invests directly or indirectly in a
28 subsidiary, or in an insurance affiliate that is not a subsidiary, is not re-
29 quired to notify the director under this section if the insurer makes the ac-
30 quisition or the investment otherwise in accordance with ORS 732.517 to

1 732.596.

2 “(G) Any material transactions specified by rule that the director deter-
3 mines may adversely affect the interests of the insurer’s policyholders.

4 “(3) A domestic insurer may not enter into one or more transactions
5 during any 12-month period that are part of a plan or series of like trans-
6 actions with persons that are within the insurance holding company system
7 if the purpose of the separate transactions is to avoid the statutory threshold
8 amount and thus avoid the review that would occur otherwise.

9 “(4) In reviewing a transaction in accordance with subsection (2) of this
10 section, the director shall consider whether the transaction complies with
11 the standards set forth in subsection (1) of this section and whether the
12 transaction may adversely affect the interests of policyholders.

13 “(5) A domestic insurer shall notify the director not later than the 30th
14 day after any investment the domestic insurer makes in any one corporation
15 if the total investment the insurance holding company system makes in the
16 corporation exceeds 10 percent of the corporation’s voting securities.

17 **“(6)(a) An affiliate that is a party with a domestic insurer to a**
18 **contract or agreement that is described in subsection (2)(d)(D) of this**
19 **section is subject to the jurisdiction of supervision, seizure,**
20 **conservator, rehabilitator or liquidator proceedings against the insurer**
21 **and to the authority of a supervisor, conservator, rehabilitator or**
22 **liquidator appointed under ORS 37.020 to 37.410 for the purpose of in-**
23 **terpreting, enforcing and overseeing the affiliate’s obligations under**
24 **the contract or agreement to perform services for the insurer that are:**

25 **“(A) An integral part of the insurer’s operations including, but not**
26 **limited to, management, administration, accounting, data processing,**
27 **marketing, underwriting, claims handling, investment or any other**
28 **similar functions; or**

29 **“(B) Essential to the insurer’s ability to perform the insurer’s ob-**
30 **ligations under insurance policies.**

1 **“(b) The director may require that a contract or agreement de-**
2 **scribed in subsection (2)(d)(D) of this section for the performance of**
3 **functions described in paragraph (a)(A) and (B) of this subsection**
4 **provide that the affiliate consents to the jurisdiction and authority**
5 **described in paragraph (a) of this subsection.**

6 **“SECTION 5.** ORS 732.586 is amended to read:

7 **“732.586. (1)** All information, documents and copies of information or
8 documents obtained by or disclosed to the Director of the Department of
9 Consumer and Business Services or any other person in the course of an
10 examination or investigation under ORS 732.584 are subject to the provisions
11 of ORS 731.312.

12 **“(2)** All information reported in accordance with ORS 732.552, 732.554,
13 732.574 and 732.576 is confidential and may not be made public except as
14 provided in this subsection. The director may disclose reported information
15 only as provided in ORS 705.137 or only if:

16 **“(a)** The director obtains the prior written consent of the insurer to which
17 the reported information pertains; or

18 **“(b)** The director, after giving the insurer and the insurer’s affiliates that
19 would be affected by the disclosure notice and opportunity to be heard, de-
20 termines that disclosing the information will serve the interest of
21 policyholders, shareholders or the public. If the director determines that
22 disclosing the information will serve one or more of such interests, the di-
23 rector may publish all or any part of the information in any manner that the
24 director determines is appropriate.

25 **“(3) With respect to any information filed under ORS 732.569 (2) to**
26 **(6), the chief insurance regulatory official described in ORS 732.569 (1)**
27 **shall maintain the confidentiality of the group capital calculation, the**
28 **group capital ratio produced within the calculation and any group**
29 **capital information received from an insurance holding company sys-**
30 **tem supervised by the Federal Reserve Board or a group-wide super-**

1 visor located in the United States.

2 “(4) With respect to any information filed under ORS 732.569 (7) and
3 (8), the chief insurance regulatory official described in ORS 732.569 (1)
4 shall maintain the confidentiality of the liquidity stress test results
5 and supporting disclosures and any information about a liquidity
6 stress test received from an insurance holding company system
7 supervised by the Federal Reserve Board and group-wide supervisors
8 located outside the United States.

9 “(5)(a) Except as otherwise required under ORS 732.517 to 732.596
10 and subject to paragraph (b) of this subsection, a person may not
11 make, publish, disseminate, circulate or place before the public, or
12 cause another person, directly or indirectly, to make, publish, dis-
13 seminate, circulate or place before the public, a statement or repre-
14 sentation with regard to the group capital calculation, the group
15 capital ratio, the liquidity stress test results or supporting disclosures,
16 or any other component derived from the group capital calculation,
17 that must be filed under ORS 732.569, whether the statement or rep-
18 resentation appears:

19 “(A) In a newspaper, magazine or other publication;

20 “(B) In the form of a notice, circular, pamphlet, letter or poster;

21 “(C) In any radio or television broadcast or any electronic means
22 of communication that is available to the public; or

23 “(D) As an advertisement or announcement.

24 “(b) After demonstrating to the director with substantial proof that
25 a published written statement or representation concerning an item
26 described in paragraph (a) of this subsection is materially false or in-
27 appropriate, an insurer or insurance group may publish an announce-
28 ment in a written publication solely to rebut the materially false
29 statement or representation. The rebuttal may address a materially
30 false or inappropriate statement or representation as to:

1 “(A) The group capital calculation or the resulting group capital
2 ratio;

3 “(B) The liquidity stress test result or supporting disclosures for the
4 liquidity stress test; or

5 “(C) An inappropriate comparison between any amount and any of
6 the items described in subparagraphs (A) or (B) of this paragraph.

7 [(3)] (6) The director’s sharing of information under ORS 732.517 to
8 732.596 does not delegate regulatory or rulemaking authority. The director
9 is solely responsible for administering, executing and enforcing ORS 732.517
10 to 732.596.

11 “SECTION 6. The amendments to ORS 732.548, 732.553, 732.569,
12 732.574 and 732.586 by sections 1 to 5 of this 2025 Act apply to contracts
13 or agreements into which an insurer enters or renews on or after the
14 operative date specified in section 7 of this 2025 Act.

15 “SECTION 7. (1) The amendments to ORS 732.548, 732.553, 732.569,
16 732.574 and 732.586 by sections 1 to 5 of this 2025 Act become operative
17 on January 1, 2026.

18 “(2) The Director of the Department of Consumer and Business
19 Services may adopt rules and take any other action before the opera-
20 tive date specified in subsection (1) of this section that is necessary
21 to enable the director, on and after the operative date specified in
22 subsection (1) of this section, to undertake and exercise all of the du-
23 ties, powers and functions conferred on the director by the amend-
24 ments to ORS 732.548, 732.553, 732.569, 732.574 and 732.586 by sections 1
25 to 5 of this 2025 Act.

26 “SECTION 8. This 2025 Act takes effect on the 91st day after the
27 date on which the 2025 regular session of the Eighty-third Legislative
28 Assembly adjourns sine die.”.