

HOUSE AMENDMENTS TO A-ENGROSSED SENATE BILL 985

By COMMITTEE ON BUSINESS AND LABOR

May 26

1 On page 1 of the printed A-engrossed bill, delete lines 14 through 26 and delete pages 2 and 3
2 and insert:

3 **“SECTION 2. (1) Notwithstanding provisions of the Insurance Code that require insurers**
4 **to file rates and policy forms with the Director of the Department of Consumer and Business**
5 **Services, and except as provided in subsections (3), (4) and (5) of this section, an insurer is**
6 **exempt from the requirement to file with the director rates or policy forms for the classes**
7 **of insurance specified in subsection (2) of this section.**

8 **“(2)(a) The following classes of insurance are subject to the exemption described in sub-**
9 **section (1) of this section:**

10 **“(A) Surety insurance;**

11 **“(B) Wet marine and transportation insurance;**

12 **“(C) Boiler and machinery insurance;**

13 **“(D) Environmental impairment and pollution insurance;**

14 **“(E) Kidnap and ransom insurance;**

15 **“(F) Political risk or expropriation insurance;**

16 **“(G) Insurance for property with these characteristics:**

17 **“(i) The owner or property manager demonstrates a willingness and determination to**
18 **reduce the probability of a loss;**

19 **“(ii) The owner or property manager conducts periodic and thorough specialized in-**
20 **spections and engineering for the purpose of preventing or minimizing loss;**

21 **“(iii) The property has an insurable value sufficient for an insurer to charge a premium**
22 **in an amount that warrants providing specialized inspection and engineering services;**

23 **“(iv) The property has a structural design and degree of protection that, in combination**
24 **with specialized inspection and engineering services, has the effect of reducing the need for**
25 **or importance of publicly provided fire protection;**

26 **“(v) The property’s construction uses fire resistant or incombustible heavy timber or**
27 **similar materials that are well preserved and in good repair;**

28 **“(vi) The property has fire protection or loss prevention equipment in all areas in which**
29 **fire prevention or loss protection is necessary;**

30 **“(vii) The owner or property manager provides security and alarm service or equivalent**
31 **security services or equipment where necessary; and**

32 **“(viii) Sufficient numbers of hydrants, hoses and equipment, an adequate water supply**
33 **and other components of a private or publicly provided fire protection system exist to protect**
34 **the property’s exterior; and**

35 **“(H) Commercial lines insurance that the director exempts, other than coverage specified**

1 in subsection (4) of this section, for large commercial policyholders that pay an annual ag-
2 gregate premium threshold amount or that meet other requirements the director specifies.

3 “(b) An exemption for the classes of insurance described in paragraph (a) of this sub-
4 section applies whether the insurer provides the insurance as a stand-alone policy, as an
5 endorsement or as part of other insurance coverage.

6 “(3) Notwithstanding provisions of the Insurance Code that require insurers to file rates
7 and policy forms with the director, and except as provided in subsections (4) and (5) of this
8 section, the director by rule may exempt or amend the rate and form filing requirements for
9 any commercial line of insurance if the director determines that:

10 “(a) The requirement is not desirable or is not necessary to protect the public; and

11 “(b) An exemption or amendment would enhance competition.

12 “(4) The following classes of insurance are not exempt under subsection (1) of this sec-
13 tion:

14 “(a) Workers’ compensation insurance;

15 “(b) Medical malpractice liability insurance;

16 “(c) Commercial automobile liability insurance;

17 “(d) Coverage that an insurer issues under an assigned risk plan or through a residual
18 market pool or residual market facility; and

19 “(e) Insurance for a project, as defined in ORS 737.602.

20 “(5) This section does not apply to any class or line of insurance that an insurer trans-
21 acts with a consumer, as defined in ORS 746.600.

22 “(6)(a) The director may publish a sample disclosure notice that an insurer may issue
23 without needing to file the disclosure with the director for review or approval if the insurer
24 issues the disclosure together with an insurance policy that is a claims-made insurance pol-
25 icy or a liability insurance policy that includes defense costs within the limits of liability.

26 “(b) An insurer need not use the sample disclosure notice described in paragraph (a) of
27 this subsection. An insurer that does not use the sample disclosure notice shall file the
28 insurer’s proposed notice with the director for review and approval. If the director approves
29 the insurer’s proposed notice, the insurer may issue the notice with all of the insurer’s
30 claims-made insurance policies or policies that include defense costs within the limits of li-
31 ability without submitting the notice to the director for further review or approval.

32 “(7) The director may adopt rules to implement this section.

33 “SECTION 3. Section 2 of this 2017 Act applies to insurance that an insurer transacts
34 and to an insurance policy that an insurer issues or renews on or after the effective date
35 of this 2017 Act.”.