

Lawmakers address varied insurance issues during 2003 legislative session

The Oregon Legislature passed a number of bills relating to insurance during its 2003 session. Lawmakers addressed a variety of issues, including credit scoring, privacy of personal health information, rating and underwriting of health insurance, regulation of insurance transactions by depository institutions, professional liability and tort reform, and environmental cleanup.

Insurance-related legislation approved in the 2003 session is summarized in this issue of the *Oregon Insurance Regulator*. These summaries are not intended to be a complete and detailed statement of all insurance-rated laws passed by the 2003 Legislature. For more information, including links to approved bills, visit the

Please see **LEGISLATURE**, Page 5

Legislature restricts use of credit scoring

The 2003 Oregon Legislature approved a ban on using a policyholder's credit information to raise premiums. Senate Bill 260 also prohibits insurers from canceling or refusing to renew existing policies because of credit history.

SB 260 will allow insurers to continue using credit information when deciding whether to issue a new policy, but only if they can document that it helps them predict future claim costs and price their products fairly for consumers. At the same time, insurance companies must demonstrate that credit information is

used as part of an evaluation system that also relies on other actuarially-relevant factors.

The bill also requires insurers using credit history to file their scoring models with the Department of Consumer & Business Services.

The bill augments an Insurance Division administrative rule that prohibited insurers from canceling or refusing to renew existing policies because of credit history problems.

SB 260 is effective for policies renewed January 1, 2004, or later.

Rural doctors to get break on insurance

Most rural physicians in Oregon will pay less for medical professional liability insurance, thanks to a bill approved in the 2003 session.

Governor Ted Kulongoski proposed HB 3630 to give immediate rate relief to rural doctors while a long-term solution is considered for a market-wide problem.

Under the bill, the State Accident Insurance Fund Corp. will reimburse insurers for part of the cost of coverage for qualifying physicians for calendar years 2004-2007. In exchange, SAIF will get to claim a credit against its Oregon workers' compensation premium assessment.

Rural obstetricians will see up to an 80 percent reduction in premiums. Family or general practice doctors who provide obstetrical services will get up to a 60 percent reduction, and other rural physicians can qualify for up to a 40 percent reduction.

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New premium surcharge may generate consumer questions

Insurers and agents may get questions from consumers who notice a new premium surcharge on their property and casualty insurance policies next year.

HB 3051, passed in the 2003 legislative session, changes the way insurers recoup assessments paid to the Oregon Insurance Guarantee Association (OIGA).

Authorized property and casualty insurers in Oregon are required to participate in the OIGA, which settles unpaid claims when an insurer becomes insolvent. OIGA then assesses other member insurers to cover claim costs.

Current law allows insurers to claim tax credits to offset the assessment, thus reducing state revenues. Under HB 3051, insurers will instead recoup any OIGA assessment by surcharging each policyholder.

HB 3051 applies to assessments imposed on or after Jan. 1, 2003, and to earlier assessments that haven't been fully recouped.

Insurers can start recouping assessments beginning Jan. 1 of the year after the assessment was imposed, so the surcharge will begin showing up in January 2004. The amount of the surcharge will be listed on the policy premium statement or declaration page.

The surcharge is estimated to be less than 1 percent of policy premiums in 2004. Policies will be assessed as needed by the OIGA, so the surcharge may not appear at each renewal cycle.

For more information, visit the Insurance Division's Web site: oregoninsurance.org. Click on *What's New*.

AGENT LICENSING

Legislators approve several changes to licensing laws

By Margarita Nuñez

The following changes will take effect Jan. 1, 2004, as a result of passage of Senate Bill 253 by the Oregon Legislature:

- **Commissions and service fees** — An insurer or insurance producer will be allowed to charge a commission, a service fee, or a combination of the two when transacting insurance except for the following:

1. Insurance covering an individual's person, property, or liability
2. Life or health insurance for groups of fewer than 51 lives
3. Insurance on a commercial or public entity paying combined annual premiums of less than \$100,000 for insurance

A written agreement with the consumer is required prior to binding or issuing an insurance policy.

- **License reinstatement period** — The license reinstatement period will be shortened from two years to one year, so if you let your license expire for more than one year, you'll have to reapply for a license. This change brings Oregon into conformance with national licensing standards. We will change all licenses expired for more than one year to an "expired nonrenewable" status.

- **Notice of appointments** — Insurers will no longer be required to file notices of appointments with the Insurance Division. Instead, insurers will need to maintain a current list of contracted insurance producers and make it available to the division upon request. All active appointments in the Agent Licensing database will be terminated as of Jan. 1, 2004. Affiliation notices of agents to agencies will still be required.

- **Good-bye agents, hello producers** — The term "producer" will replace "agent" throughout the Oregon Revised Statutes (ORS). All of our forms will be revised to indicate this change. New licenses using the term "producer" will be issued for active agents at renewal.

Licensing exam update

Promissor, our new vendor, has been administering Oregon licensing exams since July. Candidates for licenses now need to pay their exam fees directly to Promissor instead of the Insurance Division as they did in the past. We will refund any exam fees we receive from candidates who mistakenly send them to us.

Promissor operates permanent testing sites in Tigard; Kennewick and Vancouver, Washington; and Boise, Idaho. Exams also can be taken at temporary sites in Eugene and Medford. Promissor plans to open permanent sites in Eugene Dec. 5 and in Medford Dec. 13.

Exam site addresses, directions, hours, and other information are available on the Insurance Division's Web site, oregoninsurance.org. Click on *Agent Information*, then *Application process for all license categories*.

Law and ethics requirements

Agents are reminded that they must take three hours of law and two hours of ethics before **every** renewal. The only agents exempt from this continuing-education requirement are those who hold a limited lines license or have been granted a continuing-education exemption.

New continuing education course topic

Some new continuing education courses are being approved under the agency management topic. This topic includes subject matter on office management, client relations, and improving the operations of an agent's business. Agents can count up to four hours of agency management courses toward their continuing education requirement. These courses can be identified by looking at the course registration number assigned to the course. All course registration numbers for agency management will start with a "P," followed by the number of hours that have been approved for the agency management course or section.

Margarita Nuñez is manager of the Agent Licensing Unit.

Insurers, agents flunk Medigap test

How accurate is the Medigap information Oregon consumers receive from insurance companies and agents?

Not very, according to a "secret shopper" survey conducted by staff from the Senior Health Insurance Benefits Assistance (SHIBA) program.

Twenty-eight insurers that sell Medigap plans in Oregon were asked

about four common situations involving federal and/or state guaranteed-issue rights for Medicare beneficiaries losing their health insurance. Some companies responded directly and some referred questions to an agent.

Companies and agents correctly responded to the survey questions less than a third of the time on average. On one

question regarding Oregon Medigap protections, only 15.4 percent of respondents got the right answer.

If you'd like to test your Medigap knowledge, visit the Insurance Division's Web site, oregoninsurance.org. Click on Agent Licensing.

SHIBA held a Medigap workshop in November and plans to send training materials to companies selling Medigap plans. For more information, call SHIBA, (503) 947-7219.

INSURANCE ADMINISTRATOR'S COLUMN

Legislators pass key insurance measures in recent session

Oregon lawmakers passed some significant insurance legislation during the 2003 regular session. Insurance-related legislation is summarized in this issue of the *Oregon Insurance Regulator* and on our Web site (oregoninsurance.org), but I wanted to highlight several key measures:

- **Credit scoring.** Passage of Senate Bill 260 gives us significantly improved tools to regulate credit scoring. The legislation, which augments our administrative rules, generally bans use of credit history in rating and underwriting for renewal business. Insurers can still use credit for new business, subject to certain restrictions.
- **Insurance Division bills.** Lawmakers passed several bills we sponsored. SB 235 establishes important consumer safeguards banks must follow when selling insurance. SB 253 allows producers to represent either insurers or insureds, and to charge fees when transacting certain types of commercial insurance.
- **Medical professionals and contractors.** Legislators took action to help two markets in desperate need of good news: liability insurance for medical professionals and contractors. HB 3630 provides a financial mechanism administered by SAIF that will enable insurers to offer reduced rates to rural doctors. Contractors and insurers may see some relief through passage of SB 909, which requires



a homeowner to follow certain procedures to remedy problems with a contractor before suing, and SB 943, which allows contractors to pursue insurance alternatives such as self insurance.

Governor praises electronic complaint filing

Oregon's executive and legislative branches have made regulatory streamlining and improved customer service top priorities during the next two years. I was pleased that Governor Ted Kulongoski recognized the division for making it easy for consumers to file complaints online.

Division begins reorganization process

A reorganization of the Insurance Division is underway. **Jann Goodpaster** will manage our new Market Regulation Section, which will allow us to better integrate rates and forms with other compliance functions, including market analysis, market conduct, and investigations.

Senior policy advisor joins division

I'm pleased to welcome **Shelley Bain** to our executive team as a senior policy advisor. Her legal background will be invaluable as she analyzes the many complex issues facing insurance regulators today. Shelley joins **Michael Morter**, who focuses on legislative and stakeholder relations, and **Lewis Littlehales**, our longtime legislation and administrative rules coordinator.

Joel Ario
Insurance Administrator

KEY CONTACTS

Oregon Insurance Division

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 E-mail dcbs.insmail@state.or.us

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 Deputy Admin. Carl Lundberg

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 Manager Elaine Day

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 Manager Jann Goodpaster

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 Manager Larry Culbertson

• **Investigations** (503) 947-7219
 Manager Cindy Jones

• **Market Analysis** (503) 947-7205
 Manager Patricia Neesham

• **Rates & Forms**
 Information (503) 947-7983
 Manager Gayle Woods

Employment opportunities

Shelley Greiner (503) 947-7222

Other agencies

Oregon Health Plan

(800) 359-9517

State Portability Option

Oregon Medical Insurance Pool
 (Administered by Regence Blue Cross Blue Shield)
 (800) 848-7280

COBRA/ERISA/HIPAA questions

U.S. Department of Labor
 (866) 275-7922

Workers' Compensation Division

General information
 (503) 947-7810

Oregon Government

Directory Assistance
 (503) 378-6500

COMPANY ACTIONS

Actions involving insurance companies are summarized below. Copies of enforcement orders and published exams are available on the Insurance Division's Web site: oregoninsurance.org.

Sanctions

Assemblies of God Foundation

Springfield, MO

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$1,000 fine

Date of order: Sept. 26, 2003

Chapman University

Orange, CA

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$1,000 fine

Date of order: Aug. 12, 2003

Conseco Life Insurance Co.

Carmel, IN

Violation: Terminated agents without sufficient notice.

Penalty: \$8,300 fine

Date of order: Oct. 27, 2003

Earthjustice

Oakland, CA

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$900 fine

Date of order: July 25, 2003

Great Western Insurance Co.

Ogden, Utah

Violation: Terminated agents without sufficient notice.

Penalty: \$1,300 fine

Date of order: Sept. 17, 2003

National Health Insurance Co.

Dallas, TX

Violation: Terminated agents without sufficient notice.

Penalty: \$3,800 fine

Date of order: Oct. 27, 2003

The Ocean Conservancy, Inc.

Washington, D.C.

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$1,000 fine

Date of order: Oct. 16, 2003

ODS Health Plan, Inc.

Portland, OR

Violation: Failed to comply with recommendations from market conduct exams.

Penalty: \$17,500 fine. An additional \$20,000 fine will be imposed if a follow-up exam shows ODS hasn't complied with earlier exam recommendations.

Date of order: Oct. 24, 2003

Samaritan's Purse

Boone, NC

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$70 fine

Date of order: Aug. 1, 2003

Southland Life Insurance Co.

Atlanta, GA

Violations: A collaborative four-state targeted market conduct examination of Southland's individual ordinary life insurance business found alleged deficiencies in the following areas: noncompliance with life illustration and life replacement laws, untimely response to claim correspondence, and inadequate documentation of death claim files. Southland did not admit or deny any of the deficiencies.

Penalty: Southland agreed to revise its policies, procedures, and controls to ensure compliance with the states' laws.

Date of order: Oct. 1, 2003

Terra Nova Insurance Co., Ltd.

London, England

Violation: Transacted insurance in Oregon without a certificate of authority.

Penalty: \$5,000 fine. Terra Nova also will pay surplus lines taxes of \$304.18.

Date of order: Oct. 8, 2003

United Employers Voluntary Employees Benefit Assoc.

Little Rock, AR

Violation: Transacted insurance in Oregon without a license.

Penalty: Ordered to cease and desist from transacting insurance in Oregon without a license.

Date of order: Nov. 18, 2003

United Home Life Insurance Co.

Indianapolis, IN

Violation: Made a false or misleading policy form filing to the DCBS director.

Penalty: \$2,000 fine

Date of order: Nov. 14, 2003

Voice of Prophecy

Simi Valley, CA

Violation: Issued charitable gift annuities in Oregon without a license.

Penalty: \$1,000 fine

Date of order: July 24, 2003

XL Reinsurance America, Inc.

Stamford, CT

Violation: Failed to increase its special workers' compensation deposit by the due date.

Penalty: \$1,000 fine

Date of order: July 30, 2003

Suspension

Wasatch Crest Mutual Insurance Co.

July 16, 2003

Published Examinations

Financial

Health Masters of Oregon, Inc.

As of Dec. 31, 2001

Preferred Health Northwest, Inc.

As of Dec. 31, 2001

Regence BlueCross BlueShield of Oregon

As of Dec. 31, 2001

Regence HMO Oregon

As of Dec. 31, 2001

Regence Health Maintenance of Oregon, Inc.

As of Dec. 31, 2001

Regence Life and Health Insurance Co.

As of Dec. 31, 2001

Willamette Dental Insurance, Inc.

As of Dec. 31, 2001

Market Conduct

Providence Health Plan

As of Sept. 30, 2002

Farmers Insurance Co. of Oregon

As of Dec. 31, 2001

Mid-Century Insurance Co.

As of Dec. 31, 2001

LEGISLATURE

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Insurance Division's Web site: oregoninsurance.org. Click on *2003 Legislature*.

Unless otherwise specified, the effective date of a bill is Jan. 1, 2004. A bill may also have one or more operative dates that apply to one or more sections, in addition to its effective date. An operative date is the date on which the affected section or sections first apply.

Bills passed in 2003 are listed by their bill numbers, and, if known, their Oregon Laws chapter numbers. SB indicates a Senate bill, while HB indicates a House bill. DCBS is the Department of Consumer & Business Services.

Insurance regulation generally

SB 235 — Transaction of insurance by depository institutions (ch 363)

SB 235 conforms existing state regulation of insurance trade practices by depository institutions to guidelines and limitations of the federal Gramm-Leach-Bliley Act, furthering the federal law's purpose of integrating banking, insurance and securities services.

Federal law allows depository institutions to transact insurance but also authorizes a state to impose specific consumer protections governing them when they transact insurance.

Regulation of insurance activities by depository institutions is retained in the Insurance Code.

SB 253 — Insurance producers (ch 364)

SB 253 further facilitates interstate licensing of insurance agents and otherwise updates Oregon's laws governing their compensation. The bill eliminates the "agent" terminology and replaces it with "insurance producer" and authorizes an insurance producer to represent an insurer or the purchaser of insurance.

The bill also allows an insurance producer to charge a full or reduced commission, a service fee or a combination of the two when transacting commercial insurance. In order to charge a fee, an insurance producer must have a written agreement with the prospective insured that meets conditions established by the DCBS director by rule.

The bill makes similar changes relating to compensation for transactions between a wholesale insurance producer and a retail insurance producer, and between a surplus lines licensee and an insurance customer or a producing agent.

This bill does not require insurers to amend their contracts, policy forms, and other documents to conform them to the change to "insurance producer."

HB 2278 — Insurance regulation

HB 2278 makes miscellaneous changes to the implementation and enforcement of insurance laws by DCBS, although the bulk of the bill deals with non-insurance issues. Changes in the insurance portion of HB 2278 include:

- Making health-care service contractors subject to the same regulatory review to which insurers are subject to for transactions involving insurers within an insurance holding company system and for extraordinary dividends by insurers.
- Allowing the DCBS director to delegate the title of insurance commissioner.
- Repealing the DCBS director's authority to exempt from the Insurance Code entities that transact certain limited types of insurance, but allowing existing exemptions to continue.

HB 3145 — Home service agreements (ch 283)

HB 3145 excludes "home service agreements" from the definition of "home protection insurance" in the Insurance Code. A home service agreement is defined as a contract for a specific and limited duration to service, repair, or replace the mechanical or appliance system of an existing home, or provide incidental service, repair, or replacement to cover leaks and failures in roofing systems.

Life and health insurance

SB 734 — Individual deferred annuities, nonforfeiture (ch 370)

SB 734 amends provisions of the Insurance Code governing nonforfeiture of deferred annuities that ensure a surrender value when the policyholder decides to discontinue further payments. Current law provides that the minimum nonforfeiture amount equals the then accumulated value, according to a formula, at 3 percent interest.

The bill provides that the minimum nonforfeiture amount equals the then accumulated value, according to a formula using a minimum interest rate of 3 percent or a calculation based on five-year Treasury notes, whichever is less, but not less than 1 percent. The bill also allows the DCBS director to adopt rules for equity-indexed products.

HB 2306 — Privacy of health insurance information (ch 87)

HB 2306 gives the DCBS director rulemaking authority to reconcile state and federal privacy requirements relating to personal records in the hands of health insurers and other licensees transacting health insurance.

Effective date: May 24, 2003.

HB 2987 — Individual and small-group health insurance market changes (ch 599)

HB 2987 authorizes health insurance carriers in the individual market to impose waivers of coverage on pre-existing conditions for up to 24 months. Under current law, exclusions for pre-existing conditions are limited to six months. The bill allows individuals who are offered the longer waiver periods to be eligible for coverage under the Oregon Medical Insurance Pool.

The bill also authorizes small-group market carriers to charge the highest-rated group up to 2.5 times as much as they charge the lowest-rated group. Under current law, carriers may charge the highest-rated group up to twice as much.

The bill authorizes carriers in the small group market to give groups a 5 percent credit if all eligible employees enroll for coverage. Current law does not provide for such credits.

HB 2987 authorizes the DCBS director to obtain data from carriers to assess the bill's effect on the marketplace.

HB 3431 — Individual health insurance market changes (ch 590)

HB 3431 authorizes a health insurance carrier offering individual health benefit plans to limit the choice of plans in which an individual may enroll. Under current law, if a carrier accepts an individual for a specific plan, the individual can choose among all of the plans offered by the carrier.

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PRODUCER ACTIONS

Actions against insurance producers are summarized below. Copies of enforcement orders are available on the Insurance Division's Web site: oregoninsurance.org. Click on *Enforcement Actions*.

Karen L. Cody

Boring, OR

Violation: Engaged in dishonest conduct not related to the business of an agent.

Penalty: Oregon resident agent license revoked

Date of order: Oct. 27, 2003

Suzanne D. Crawford

Medford, OR

Violations: Was convicted of a crime.

PERSONNEL

Cindy Jones rejoined the division as manager of the Investigations Unit. She had been working in a job rotation position in the Legislative Fiscal Office during the 2003 legislative session.

Patricia Neesham was named manager of the Market Analysis Unit. She had been a supervising insurance examiner in the Financial Regulation Section.

Gayle Woods was named manager of the Rates & Forms Section. She had been chief market conduct examiner.

New Insurance Division employees:

- **Shelley Bain**, senior policy analyst, Administration
- **Dave Dahl**, casualty actuary, Rates & Forms Section
- **Lynne Leverett**, office specialist 1, Financial Regulation Section
- **Donna Kay Standish**, licensing coordinator, Agent Licensing Unit

New complaint report available

The 2002 edition of the *Consumer Guide to Oregon Insurance Complaints* is available in print or on the Web. The report ranks major insurers from best to worst based on consumer complaints.

To view the report or order a copy, visit the Insurance Division's Web site: oregoninsurance.org. Click on *Publications*.

Engaged in dishonest conduct not related to the business of an adjuster.

Penalty: Oregon resident adjuster license revoked

Date of order: Oct. 1, 2003

Grant H. Gilbertson and Gilbertson Insurance

Salem, OR

Violations: Illegally withheld insurance premiums. Demonstrated he was dishonest or untrustworthy by making misrepresentations to an insured and insurer.

Penalty: Oregon resident agent and agency licenses revoked. Gilbertson also was fined \$5,000.

Date of order: Oct. 14, 2003

Peter C. Hesslink

Conroe, TX

Violations: Transacted insurance in Oregon without a license and for unauthorized insurers.

Penalty: Ordered to cease and desist from transacting insurance in Oregon without a license and for unauthorized insurers.

Date of order: Aug. 7, 2003

Mark I. Jaros

Shelton, WA

Violations: Acted incompetently in insurance transactions. Failed to timely respond to an inquiry from the DCBS director.

Penalty: Oregon nonresident agent license revoked

Date of order: Sept. 25, 2003

Sandra D. Johnson

Bloomfield, CT

Penalty: Johnson agreed to surrender her Oregon nonresident agent license and not apply for any new insurance license in Oregon.

Date of order: Sept. 2, 2003

Jaemin Kim

Bayside, NY

Violation: Made misrepresentations on an insurance application.

Penalty: The Insurance Division will not renew Kim's expired nonresident agent license. Kim also was fined \$1,000.

Date of order: May 13, 2003

C. Harry Kirkman III

Lake Oswego, OR

Penalty: Kirkman's Oregon resident agent license is suspended from Oct. 1,

2003, to March 31, 2004. He also was fined \$3,000.

Date of order: Oct. 7, 2003

David A. Korb

Tualatin, OR

Violation: Misappropriated insurance premiums.

Penalty: Oregon resident agent license revoked

Date of order: Sept. 29, 2003

Leslie R. Morton

West Linn, OR

Violations: Made false statements on or relative to insurance applications.

Penalty: \$6,000 fine

Date of order: July 24, 2003

Daye Richardson

The Dalles, OR

Violations: Made a false statement on an agent license application. Was convicted of three misdemeanors involving moral turpitude. Failed to notify the DCBS director that she was indicted for a crime and failed to provide a copy of the indictment.

Penalty: Oregon resident agent license revoked

Date of order: Sept. 15, 2003

Christina La'Ree Stansbury and C & K Insurance, LLC

St. Helens, OR

Violations: Stansbury withheld insurance applications and premiums. She also failed to timely respond to an inquiry from the DCBS director. C & K Insurance failed to correct and report violations by an agent.

Penalty: Oregon resident agent and agency licenses revoked

Date of order: Oct. 9, 2003

Myron F. Steves and Co.

Houston, TX

Violations: Transacted insurance in Oregon without a license and for unauthorized insurers.

Penalty: \$5,000 fine

Date of order: Oct. 8, 2003

Karen M. Thatcher

LaPine, OR

Violation: Made false statements on an insurance application.

Penalty: Oregon resident agent license revoked; \$2,000 fine

Date of order: July 18, 2003

LEGISLATURE

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HB 3431 authorizes the DCBS director to obtain data from carriers to assess the bill's effect on the marketplace.

Casualty insurance

SB 246 — Certificate of insurance under Motor Vehicle Code (ch 174)

SB 246 clarifies the Oregon Department of Transportation's responsibilities under the Motor Vehicle Code relating to the filing of a certificate of insurance to satisfy future responsibility requirements. These requirements apply when a driver is convicted of DUII, failure to carry insurance or other driving infrac-

tions. A filing must cover all vehicles that are registered in the name of the individual filing the certificate or that are operated by the individual.

SB 260 — Credit scoring

Please see story on Page 1.

SB 297 — Environmental cleanup insurance claims

SB 297 requires an insurer that is under a duty to pay defense or indemnity costs for an environmental claim under a general liability insurance policy to pay all sums arising from the risk covered by the policy according to its terms.

The bill authorizes an insurer that has paid an environmental claim to seek contribution from any other insurer that is liable or potentially liable, and provides for allocation of damages between insurance companies.

HB 2043 — Motor vehicle insurance; mile- and time-based rating plans (ch 545)

HB 2043 allows an insurer to claim a credit against its corporation excise or income taxes when the insurer provides motor vehicle insurance policies in Oregon that are at least 70 percent based on a mile-based rating plan or a time-based rating plan. This program applies to tax years 2005 through 2009.

Effective date: Nov. 26, 2003.

HB 2925 — Limits for uninsured motorist coverage (ch 220)

HB 2925 requires an insured to sign a statement electing lower limits for uninsured motorist coverage within 60 days of the time he or she elects lower limits.

HB 3051 — Recoupment of OIGA assessments (ch 568)

Please see story on Page 1.

HB 3630 — Reinsurance program for medical liability insurance sold to rural doctors

Please see story on Page 1.

HB 3668 — Personal injury protection coverage

HB 3668 increases personal injury protection (PIP) benefits under motor vehicle liability insurance policies from \$10,000 to \$15,000.

The bill also prohibits a health care provider who provides services to a person receiving PIP benefits from charging the person or the person's insurer an

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RULES & BULLETINS

Administrative rules and bulletins recently adopted or amended by the Insurance Division are summarized below. Rules and bulletins are available on our Web site: oregoninsurance.org.

Interested parties can subscribe to the division's electronic notification service for rulemaking notices, bulletins and other information. To subscribe, please visit our Web site and click on E-Notify.

To request a printed copy of a rule or bulletin, please contact **Sue Munson**, administrative rules coordinator:

Phone: (503) 947-7272

Mail: Administrative Rules Coordinator
Oregon Insurance Division
PO Box 14480
Salem, OR 97309-0405

E-mail: paulinesue.munson@state.or.us

Be sure to include the rule ID number or bulletin INS number with your request. There is no charge.

Administrative rule

ID 04-2003 — (Temporary) Adopts new examination fees:

OAR 836-009-0007 and 836-071-0180

Temporarily adopts new fees that reflect the costs of examination services provided by a licensing vendor.

Adopted: June 30, 2003

Effective: July 1, 2003 through Dec. 19, 2003

Bulletins

INS 2003-3 — July 14, 2003

Affirms the Insurance Division's position regarding certain statutory requirements governing benefits available under group health policies for chemical dependency and mental and nervous conditions.

2003-4 — Sept. 9, 2003

Summarizes laws relating to insurance passed by the 2003 Oregon Legislature.

INS 2003-5 — Sept. 19, 2003

Affirms the Insurance Division's continuing reliance on manuals and other publications of the National Association of Insurance Commissioners.

INS 2003-6 — Nov. 5, 2003

Explains prospective loss cost filing procedures for property and casualty insurance except workers' compensation.

INS 2003-7 — Nov. 10, 2003

Explains the Insurance Division's interpretation of HB 3668, which deals with personal injury protection benefits.

INS 2003-8 — Nov. 10, 2003

Summarizes key provisions of credit scoring legislation (SB 260) approved in 2003, gives examples of how the bill applies to specific situations, and explains filing requirements for insurers that wish to use credit scoring.

DOCTORS

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HB 3630 also creates a six-member panel to analyze medical liability insurance and report to the 2005 Legislature.

"Rising medical professional liability costs threaten access to health care, especially in rural areas," said Oregon Insurance Administrator **Joel Ario**. "HB 3630 addresses the immediate problem and also establishes a process to look for a long-term solution."

Ario said the Insurance Division will continue working with industry, state agencies and the Legislature to find solutions for affordability and availability problems in other hard markets.

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amount that exceeds the amount the provider charges the general public or an amount that exceeds the fee schedules for medical and other services established under the workers' compensation statutes, whichever is less.

Related legislation

SB 943 — Contractor liability

SB 943 authorizes the Construction Contractors Board by rule, in consultation with the DCBS director, to allow a residential-only general or specialty contractor to provide an alternative form of

security, approved by the board, rather than an insurance policy covering public liability or personal injury and property damage.

The Construction Contractors Board must determine that the alternative form provides protection to the public that is equivalent to the protection offered by insurance policies.

HB 2933 - Motor vehicle accident reporting requirements

HB 2933 increases the threshold amount of property damage that requires filing a Driver and Motor Vehicle Services (DMV) accident report from \$1,000 to \$1,500.

The bill also makes other changes to motor vehicle accident reporting requirements.

Regulatory examiners honor Jann Goodpaster

Jann Goodpaster of the Oregon Insurance Division received the 2003 President's Award in July from the Insurance Regulatory Examiners Society.



J. Goodpaster

Goodpaster, manager of the Market Regulation Section, was honored "for significant contributions to the develop-

ment and growth of IRES, thereby increasing development and professionalism among regulators."

IRES has more than 1,000 members nationwide.

Goodpaster is a past president of IRES, former chair of its Accreditation & Ethics Committee, and a longtime member of its board of directors and executive committee.

Goodpaster has been with the Insurance Division since January 1992.

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Insurance Administrator

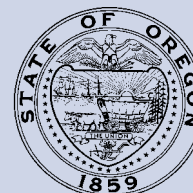
Joel Ario

DCBS Director

Cory Streisinger

Editor

John Piper



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