



**Message from  
Acting Oregon Insurance Division  
Administrator**

**May 2009**

## **State Legislative Update**

As committees close and attention turns to the budget, I wanted to discuss some of the division's latest legislative activities. **Senate Bill 973**, which would prohibit stranger-originated life insurance (STOLI) but allow other legitimate life settlement transactions, was amended and approved by the House Consumer Protection Committee after passing the Senate. We testified that the bill offers significant consumer protections, especially to seniors who are approached by strangers to take out life insurance policies for up front cash. Although we don't get a lot of complaints about these transactions, we have seen an increase in telephone inquiries, advertisements on the internet and direct mail marketing encouraging people to sell insurance policies to life settlement companies. We believe SB 973 represents an effective approach to addressing STOLI transactions by protecting seniors and other vulnerable people targeted by such transactions while at the same time preserving the ability of consumers to enter into legitimate life settlement agreements.

**Senate Bill 862**, which allows creation of new community health care programs that are exempt from the Insurance Code, passed out of the House Health Care Committee following the adoption of the dash 2 amendments. We worked closely with the proponents of the bill to craft the dash 2 amendments, which limit the number of these initiatives to one per community and a maximum of three statewide through the first two biennia that ends June 30, 2013. This will hopefully give policymakers a chance to see how this program works and ensure there is an appropriate balance between access to health care and consumer protection.

Discussions are still taking place around legislation to strengthen the department's health insurance rate review standards. While **House Bill 3145A** is currently in the House Rules Committee, discussions regarding the department's rate review process are taking place in the context of **HB 2009B** and the larger health care reform discussions, as well. At I write this update, it appears the legislature may be inclined to move forward with amendments to HB 2009B that would modify our rate review process. While these amendments do not contain all of the elements included in HB 3145A, they would be a positive step forward and strengthen our existing rate review process.

**House Bill 2198**, the department's proposal to eliminate the exemption from continuing education requirements for retired life insurance agents, was signed by the Governor on May 21, 2009. Out of approximately 14,600 resident life agent licensees, there are

currently only about 48 retired life insurance agents who are exempt from the continuing education requirements. Under HB 2198, these agents, as well as any others who become exempt prior to the effective date of the bill, January 1, 2010, will be allowed to maintain their exemption.

For copies of any Insurance Division testimony, go to our website at:  
<http://insurance.oregon.gov/orleg.html>.

## **Other issues:**

### **Consumer Advocate Calls**

An increasing number of calls received by our advocates are a direct result of the economic downturn. These include questions from people who are losing health insurance because of layoffs or business closures. Oregonians are asking how to keep their health insurance and, particularly, how the federal stimulus subsidy works. Many callers are asking whether the company or insurer is responsible for notices and information about the subsidy and many want to know how much they need to pay. We conducted outreach through various agencies to spread the word about the federal subsidy program and many callers seem to be learning of the program through the Employment Division's help in sharing our flyer.

For those of you who have not seen it, below is a link to a news release we put out in December discussing options for people who are losing health insurance because of a layoff or business closure.

[http://www.cbs.state.or.us/ins/news\\_releases/2008/120908-healthinsurance-jobloss.pdf](http://www.cbs.state.or.us/ins/news_releases/2008/120908-healthinsurance-jobloss.pdf)

For more information about the federal subsidy, visit our website at:

<http://www.cbs.state.or.us/ins/consumer/consumer-issues/federal-stimulus-info/federal-stimulus-info.html>

### **Outreach**

Another sign of the times: More than 400 people attended a recent Home Ownership Preservation Event, which was sponsored by the Department of Consumer and Business Services. Homeowners facing foreclosure had the opportunity to meet with foreclosure counselors and lenders at Portland's Memorial Coliseum.

The Insurance Division provided information on the stimulus subsidies and other issues facing consumers. Consumer questions included insurance issues involved with renting out part or most of their homes and whether insurers can non-renew policies after learning that a home is in foreclosure (yes).

Insurance staff have also been accompanying the Oregon Medical Insurance Pool as it visits communities around the state to explain the high-risk pool as well as to answer other health insurance questions, including how to get the stimulus subsidy.

### **Consumer Web content**

We are committed to making our Web site more current and easier for consumers to navigate. We are planning a consumer page that visitors can find from the Insurance Division homepage. It will do the following:

- Emphasize our consumer advocate phone number. We want consumers to know they can bring their insurance question or problem to a real person with years of experience in insurance issues!
- Launch an *Ask Ron* column that encourages people to e-mail their insurance questions. And, yes, we do have a real *Ron*. He is Ron Fredrickson, the manager of our Consumer Advocacy Unit.
- Better organize the wealth of material we have around key types of insurance (health, auto, homeowners/renters and life).

If you have comments about our Web site – suggestions for change or things you don't want changed – please let us know. You can contact our public information officer, Cheryl Martinis, at [cheryl.l.martinis@state.or.us](mailto:cheryl.l.martinis@state.or.us)

### **Annual Report**

We recently posted a wealth of insurance company data, including a variety of market share reports, in our 2008 Annual Report. You can find it on our Web site at: [http://insurance.oregon.gov/annual\\_report/2008\\_division-annual-report/division\\_annual-report08.html](http://insurance.oregon.gov/annual_report/2008_division-annual-report/division_annual-report08.html)

### **Rates and Forms Annual Training**

The Insurance Division Rates and Forms Unit will be conducting our annual industry training on October 19, 2009. If you have topics you would like to make sure we cover, please e-mail Rhonda Saunders-Ricks at [Rhonda.i.saunders-ricks@state.or.us](mailto:Rhonda.i.saunders-ricks@state.or.us).

As always, please do not hesitate to contact me with any questions, concerns or suggestions.

Teresa Miller  
Acting Administrator  
Insurance Division