

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

Before the Insurance Administrator  
Department of Consumer and Business Services

In the Matter of Adopting OAR 836-071-0354 and Amending OAR 836-071-0355, 0370, and 0380	) ) ) ) )	SUMMARY OF TESTIMONY AND HEARING OFFICER'S RECOMMENDATION
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**Procedures Followed**

On October 15, 2015, the Director filed with the Secretary of State a Notice of Proposed Rulemaking Hearing (Notice), giving notice that the Director proposed to adopt rules to implement the requirements of House Bill 2758 (2015 Session).

The Notice announced that a rulemaking hearing would be held on November 30, 2015, and that interested persons could submit comments through December 7, 2015. The notice was filed with a Statement of Need and Fiscal Impact which included a Statement of Statutory Authority, Need for Action, Advisory Committee, Principal Documents Relied Upon and Fiscal and Economic Impact. A copy of the Notice was published in the Secretary of State's Oregon Bulletin of November 2015. Copies of the Statement of Need and Fiscal Impact and the Notice of Proposed Rulemaking were delivered or mailed or otherwise distributed to property and casualty insurers, consumers, to persons on the Insurance Division mailing list established under the Administrative Procedures Act, to those members of the Legislative Assembly to whom notice is required to be given, to the press and to other interested persons. Copies were also made available to interested persons through the Division's e-notify system and were posted on the Division's web site.

Existing rules of the Insurance Division establish the steps that a rental company with a limited license to sell rental insurance must take to educate and monitor employees selling insurance under the limited license. Enrolled House Bill 2958 (2015 Legislative Session) will allow a rental company to identify a "designated agent" to sell rental insurance under the limited license of the rental company, beginning January 1, 2016.

Temporary rules were submitted to the Secretary of State on September 15, 2015 amending ORS 836-071-0355 through 836-071-0380 to insert "designated agent" wherever the existing rule established the training and oversight requirements for employees of the rental company.

A Rules Advisory Committee (RAC) was convened on September 17, 2015. The members of the RAC agreed that the rental company must provide the same training and oversight to a designated agent as the rental company provides for employees. The temporary rule language amending ORS 836-071-0355 through 836-071-0380 was reviewed and approved by the RAC members. The RAC members also discussed and approved a definition for a designated agent.

**Fiscal impact:** The proposed rules and the fiscal impact were reviewed by members of the external rulemaking advisory committee. The advisory committee discussed the potential fiscal impact of these rules. These proposed rules do not have a financial impact on state agencies, local governments or the public generally.

### **Testimony Received and Hearing Officer Recommendation**

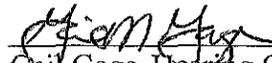
The hearing was held as scheduled. Gail Gage, Senior Policy Analyst was the hearing officer. Only one member of the public attended the hearing but did not testify. The division did not receive any public comments on the rules.

The hearing officer recommends that the proposed rules be adopted with the additional language to provide a definition of a designated agent.

The rulemaking was reviewed again for its economic effect on businesses, including small businesses, and there is no need for further change. The rulemaking is within the Director's rulemaking authority, and applicable rulemaking procedures were complied with.

Signed this 29th day of December 2015.

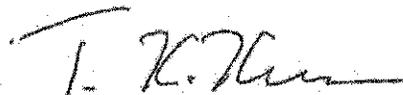
Department of Consumer and Business Services

  
Gail Gage, Hearing Officer

This Summary and Recommendation are reviewed and adopted.

Signed this \_\_\_30th\_\_\_ day of December 2015.

Department of Consumer and Business Services

  
TK Keen, Deputy Administrator