



Oregon

Department of Consumer and Business Services

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OREGON INSURANCE DIVISION BULLETIN INS 2002-1

DATE: January 23, 2002
TO: ALL LIFE INSURANCE COMPANIES
RE: NO POLICY CHANGES REQUIRED BY 2001 AMENDMENT TO
ORS 743.186(1)(A)

Questions have arisen about one part of legislation enacted by the Oregon Legislative Assembly in 2001, which is found at Chapter 318, Oregon Laws 2001 (Senate Bill 267). The amendment in question, to ORS 743.186, was intended to implement codification of statutory accounting principles by the National Association of Insurance Commissioners. The accounting principle that was intended to be implemented by this change instructs insurers whether to carry the unpaid balance of all policy loans as admitted or nonadmitted assets.

ORS 743.186(1)(a), effective January 1, 2001, reads in relevant part (underlined wording was added by the amendment):

“The policy may also provide that:

- (a) Interest on any indebtedness that is 90 or more days past due shall be added to the existing indebtedness and shall bear interest at the rate applicable to the existing indebtedness;”

The Insurance Division does not interpret this amendment to require insurers to amend existing policy language.

Effective Date: This bulletin shall take immediate effect.

Issued this 31st day of January 2002.

_____(Signed)_____
Joel Ario, Insurance Administrator