



Division of Financial Regulation

Insurance Advisory Committee

Tuesday, May 14, 2024 2:00 p.m. - 4:00 p.m.

Commissioner Stolfi's report

- Welcome to Paul Terdal, newest member, a longtime volunteer health consumer advocate.
- Michelle Gustavson is stepping down from IAC. Thank you to Michelle for her nearly 2 years of service on the IAC.
 - DFR will seek to fill her seat as soon as possible. Welcome recommendations from the industry caucus.
- DCBS [final draft strategic plan](#) nearly complete, will be shared with IAC.
 - The strategic plan is comprehensive, contains many reach goals, specific initiatives, and an updated mission and vision to better describe our work.
 - Appreciative of IAC contributions to this work, welcome any final feedback from IAC. The plan will not be substantively reopened. (NOTE: Final plan [here.](#))
- DCBS is actively participating in regional and international events.
 - Inaugural Global Sustainable Insurance Summit sponsored by the United Nations, California Insurance Department, and [CERES](#) focused on climate sustainability and insurance.
 - Dir. Stolfi facilitated a panel on the connection between high heat exposure and insurance, focusing on worker safety, building codes, and the workers compensation market.
 - First Western Zone Wildfire Risk Forum sponsored by NAIC Western Zone, Idaho Department of Insurance, and the Insurance Institute for Business & Home Safety. Particular focus on home hardening and reinsurance companies' approach to risk rating, pricing and policies.
- Dir. Stolfi is now an Ex Officio member of the legislatively mandated [Oregon Climate Action Commission](#) (formerly the Oregon Global Warming Commission)
- [Universal Health Plan Governance Board](#) (UHPGB) was recently established by legislative direction, administratively located within DCBS.
 - UHPGB is charged with developing a comprehensive plan to finance and administer a universal health plan, due to the legislature no later than Sept. 15, 2026. Currently in the beginning stages of its work.
 - UHPGB's Executive Director, Morgan Cowling, would welcome the opportunity to present to the IAC and get your perspective.

- The IAC discussed the UHPGB and how it could contribute to its work and Oregon's involvement in the NAIC data call regarding climate related disasters and home insurance.

Consumer Liaison update

- Many thanks to Craig for doing such a wonderful job on an interim basis. Hope to have permanent staff by the fall.
- Thorough overview of Craig's update is attached, links to recently completed projects now available on the DFR website.
 - [Disability Income Insurance FAQ](#)
 - [New consumer guides](#) to different types of insurance
- Welcome to Matt Ramage, a new Consumer Education and Engagement Coordinator.
 - IAC members asked if they could see a breakdown of confirmed complaints vs. the total number of complaints to look at potential trends.

Legislative and rulemaking update

- Legislative session was dominated by prescription drugs and coverage, on the insurance side.
 - Overview of Jesse's legislative update is attached.
- In preparation for 2025 legislative session, several proposed legislative concepts are under review by the Governor's Office. DCBS is not yet approved to speak externally about them.
- Rulemaking updates:
 - [3 new rules](#) proposed with a May 29 public comment deadline
 - [Current RACs](#) include HB 2002 on gender-affirming treatment and well-woman services
 - Upcoming rulemaking includes HB 4149 on PBMs and technical updates to the Oregon Reinsurance Program.
- The IAC discussed rulemaking for HB 2002 and how members could contribute to the rulemaking through the RAC process.

Home and auto insurance rate increases and non-renewals

- Two recent bulletins discussed: [DFR 2024-5](#) re: Expectations of insurance producers regarding homeowners insurance underwriting and rating decisions, and [DFR 2024-6](#) re: Expectations of insurers regarding explanations of insurance decisions
- Presentation on homeowners insurance
 - Factors increasing costs
 - Catastrophic payouts due to escalation of catastrophic frequency and intensity, including in other parts of the country
 - Cost of reinsurance increasing, hesitancy to take on large risks
 - Market inflation
 - Factors affecting non-renewals
 - Carriers reassessing geographic input including concentration of risk

- Claims severity
- Cancellations primarily due to non-payment of premiums
- Consumer action
 - [SB 82](#) passed in 2024 re: homeowners insurance for wildfire risk
 - Consumers will be receiving enhanced disclosures. Carriers will consider mitigation efforts in rates.
- Beyond the admitted market
 - Surplus lines for risks not typically covered in the standard market
 - [Oregon FAIR Plan](#)
- Presentation on Auto Insurance
 - Factors contributing to rate increases include auto theft, driving behavior and data sharing, impacts of catastrophic events
 - Data broker companies building consumer risk profiles from driving data and selling to carriers. Issues around consumers consent.
 - Non-renewals typically related to insurers pulling out of markets
 - Cancellations primarily due to non-payment of premiums

Network adequacy

- Detailed presentation slides attached.