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PERMANENT ADMINISTRATIVE ORDER

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CHAPTER 836
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE REGULATION

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FILING CAPTION: Relating to the filing of registration statements and prior notice of certain transactions by insurers

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RULES:

836-027-0010, 836-027-0160

AMEND: 836-027-0010

NOTICE FILED DATE: 10/27/2020

RULE SUMMARY: Amends rule relating to the filing of registration statements by insurers.

CHANGES TO RULE:

836-027-0010

Registration of Insurers - Statement Filing ¶

(1) An insurer required to file an annual registration statement pursuant to ORS 732.517 to 732.592 shall:¶

(1a) Furnish the required information on Form B. Form B is set forth on the website of the Department of Consumer and Business Services at www.insurancedfr.oregon.gov; and¶

(2b) Include a statement that the insurer's board of directors oversees corporate governance and internal controls.¶

(2) An amendment to Form B:¶

(a) Shall be filed within fifteen (15) days after the end of any month in which there is a material change to the information provided in the annual registration statement; and¶

(b) Shall be filed in the Form B format with only those items which are being amended reported.

Statutory/Other Authority: ORS 732.572

Statutes/Other Implemented: ORS 732.517 - 732.592

AMEND: 836-027-0160

NOTICE FILED DATE: 10/27/2020

RULE SUMMARY: Amends rule relating to the giving of prior notice of certain transactions by insurers.

CHANGES TO RULE:

836-027-0160

Transactions Subject to Prior Notice - Notice Filing ¶

(1) An insurer required to give notice of a proposed transaction pursuant to ORS 732.574 shall furnish the required information on Form D. Form D is set forth on the website of the Department of Consumer and Business Services at www.insurance.oregon.gov or dfc.oregon.gov.¶

(2) Agreements for cost sharing services and management services shall at a minimum and as applicable:¶

(a) Identify the person providing services and the nature of such services;¶

(b) Set forth the methods to allocate costs;¶

(c) Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the Accounting Practices and Procedures Manual;¶

(d) Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;¶

(e) State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;¶

(f) Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;¶

(g) Specify that all books and records of the insurer are and remain the property of the insurer and are subject to the control of the insurer;¶

(h) State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer;¶

(i) Include standards for termination of the agreement with and without cause;¶

(j) Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services;¶

(k) Specify that, if the insurer is placed in receivership or seized by the director under ORS chapter 734:¶

(A) All of the rights of the insurer under the agreement extend to the receiver or the director, and;¶

(B) All books and records will immediately be made available to the receiver or the director, and shall be turned over to the receiver or the director immediately upon the receiver or the director's request;¶

(l) Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to ORS chapter 734; and¶

(m) Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the director under ORS chapter 734, and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.

Statutory/Other Authority: ORS 732.572

Statutes/Other Implemented: ORS 732.517 - 732.592