



Hearing Officer's Report to Agency on Rulemaking Hearing

Date: November 10, 2025

To: Department of Consumer and Business Services

From: Lily Sobolik, Hearing Officer

Subject: Rulemaking re: SB 831 and NAIC Accreditation

Hearing Date/Time: October 23, 2025
Hearing Location: Hearing conducted virtually on Microsoft Teams.
Comment Period End: October 30, 2025

Background

The National Association of Insurance Commissioners (NAIC) accreditation program ensures that accredited state insurance departments meet baseline standards of solvency regulation and consumer protection, and allows for inter-state cooperation. From time to time, the NAIC accreditation standards and related model laws and regulations are revised to address emerging issues. The standards implemented in SB 831 (2025) add tools to enhance group solvency supervision, specifically the Group Capital Calculation and the Liquidity Stress Test, and also add best practices regarding receivership.

These standards must be adopted by January 1, 2026 to maintain accreditation, and, some aspects of the new accreditation provisions require rulemaking to implement the law. The proposed rules implement the new law including: adding a definition for “group capital calculation,” adding an explanation of the liquidity stress test, and outlining the commissioner’s discretion to determine exemptions from filing the annual group capital calculation.

Hearing

A public hearing to receive testimony was held on October 23, 2025 at 11 a.m. virtually. Notice for the hearing was published in the Oregon Bulletin on October 1, 2025. Public testimony was accepted until 5:00 p.m. on October 30, 2025. Representing DCBS at the public hearing were Lily Sobolik, Brian Fjeldheim, Jill Schlosser, and Karen Winkel.

Six members of the public attended the hearing remotely representing the NAIC, Standard Insurance Company, Cambia Health Solutions, PacificSource Health Plans, Oregon Consumer Justice, and the Oregon Health Authority. Two members of the public provided verbal testimony. Two public comments were received in writing after the Notice of Proposed Rulemaking was published and before the comment deadline.

Summary of Testimony

Written testimony was received from Cambia Health Solutions and Kaiser Foundation Health Plan of the Northwest recommending that the division establish a clear submission date in the rule for the Group Capital Calculation; August 1, 2027 for the first report, with subsequent annual submission dates of August 1. The reasoning given for the suggested dates included that the new filings are complex and resource intensive, avoiding conflict with other financial filings, and wanting operational certainty. Cambia Health Solutions also provided verbal testimony to this effect.

Verbal testimony was received from NAIC staff stating that the NAIC model regulation and law do not specify a certain filing submission due date but instead specify that the filing is annual. The exact submission due date is not problematic for the purposes of NAIC accreditation. The NAIC's Financial Regulation Standards and Accreditation (F) Committee determines whether states meet accreditation standards but NAIC staff stated that there are no concerns regarding Oregon's new statute and this proposed rule.

Public Comment Discussion

The division received public comments recommending changes to the proposed rule that included adding an annual due date for the Group Capital Calculation and specifying the timeframe for collecting the first submission of the Group Capital Calculation. As stated during the Rulemaking Advisory Committee meeting on July 23, 2025, the division will require carrier submission of the Group Capital Calculation starting in 2027 for data from the previous year, 2026. Regarding an annual due date for the Group Capital Calculation, as with similar filings that do not have a defined due date in statute, the division will set a due date in the filing instructions in consultation with stakeholders including the NAIC and insurance carriers.

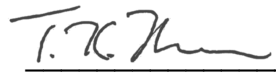
Recommendation

Having considered fully the testimony presented at the hearing and the written comments, I recommend that the division adopt the rule as proposed.

Lily Sobolik
Hearing Officer
Division of Financial Regulation

This Summary and Recommendation are reviewed and adopted.

Signed this 5th day of December, 2025.



TK Keen, Administrator
Insurance Commissioner
Division of Financial Regulation