



**Department of Consumer and Business Services
Legislative Summary – 2011**

The Oregon Legislative Assembly enacted a variety of measures affecting DCBS and the accomplishment of its mission during the regular session in 2011. Highlights include:

- **Health reform.** The 2011 Oregon Legislature passed several bills to transform Oregon's health care system, with the goal of making health care more accessible and affordable to Oregonians. Bills making major changes to health insurance include SB 514, which creates a Children's Reinsurance Program to ensure children can enroll in health plans year-round; SB 99, which creates the Oregon Health Insurance Exchange where consumers and small businesses can shop and compare plans; and SB 89, which makes changes to Oregon's Insurance Code to comply with federal health reform.
- **Financial reform.** The Dodd-Frank Wall Street Reform and Consumer Protection Act makes sweeping changes to how financial institutions and companies are regulated. SB 92 addresses how Oregon will ensure the safety and soundness of out-of-state banks and applies the new \$250,000 FDIC insurance amount to foreign banks operating in Oregon. HB 2499 transfers the regulation of appraisal management companies to the Appraiser Certification and Licensure Board.
- **Manufactured structures dealers sales.** SB 85 better protects consumers who buy manufactured homes, in light of recent bankruptcies among manufactured home companies. The bill ensures consumers have full access to a surety bond for recovery if they are harmed by a violation of the law by a licensed dealer. The bill also strengthens DCBS' investigation and enforcement authority.
- **Workers' compensation managed care.** HB 2093 protects injured workers from companies that manage their care without being certified as a managed care organization. These uncertified companies can delay workers' treatment and limit their choices. The bill allows DCBS to take enforcement action against these companies.
- **Long-term care insurance.** SB 88 protects consumers – often elderly or seriously ill – who buy long-term care insurance. The bill will result in protections similar to those already in place for other types of insurance, including a process for consumers to appeal claim denials and a requirement that insurers pay claims promptly.
- **Medical retainer practices.** Medical retainer practices offer health services to patients for a set fee. SB 86 helps ensure this option remains available to Oregonians by exempting medical retainer practices from the requirements of the Insurance Code. To protect consumers, the bill requires these practices to register with DCBS and to provide clear disclosures to patients.

While not intended to be comprehensive, a more detailed list of major legislation related to DCBS and its mission follows:

CONSUMER PROTECTION

Mortgage lending consumer privacy protection – HB 2083. Protects personal financial information in a borrower’s loan application that may be gathered as part of an examination of a mortgage lending company. The bill exempts an individual’s loan documents from disclosure under the Public Records law, while preserving the public’s right to inspect other records so they can know how well a mortgage banker or broker did on the state’s financial examination.

Manufactured structures dealers sales – SB 85. Better protects consumers who buy manufactured homes by strengthening the department’s enforcement authority over manufactured structures dealers. The bill also provides more opportunity for restitution for consumers harmed by a dealer by allowing them to access the dealer’s entire surety bond.

Bank regulatory revisions – SB 92. Makes changes to Oregon law to address the Dodd-Frank Wall Street Reform and Consumer Protection. The bill protects bank depositors by giving DCBS the authority to evaluate the safety and soundness of out-of-state banks that want to establish a presence here as well as requiring that banks chartered in a foreign country and operating in Oregon hold \$250,000 in FDIC insurance per depositor. The bill also maintains depositors’ financial interest in savings banks that convert to commercial banks.

HEALTH INSURANCE AND REFORM

Medical retainer practices – SB 86. Exempts from the Insurance Code medical practices that offer services for a set fee, called “medical retainer practices,” while adding disclosure and other requirements that protect patients. With the new law, medical retainer practices will not have to meet the requirements of the Insurance Code, but they will have to register with DCBS, make important disclosures to patients, and provide a reasonable number of services.

Long-term care insurance claims – SB 88. Protects the elderly or seriously ill Oregonians who often buy long-term care insurance. The bill calls for DCBS to develop a requirement that insurance companies pay claims promptly and a process for consumers to appeal claim denials, similar to the protections in place for other types of insurance.

Medical liability insurance for rural communities – SB 608. Helps ensure consumers in rural Oregon have access to medical providers by continuing payments to insurers to subsidize the cost of medical malpractice liability insurance premiums for certain rural physicians and nurse practitioners. While DCBS helped launch and later expand this program, this bill transfers the responsibility for administering payments to the Oregon Health Authority.

Federal health reform – SB 89. Makes changes to Oregon’s Insurance Code to comply with the federal health reform law, including requiring health plans to cover preventive services and prohibiting insurers from denying coverage to children based on health conditions. The bill also

allows families of Oregonians who lost their jobs to continue to pay for and receive their group health insurance coverage.

Children’s Reinsurance Program – SB 514. Allows Oregon children to enroll in health insurance plans year-round, instead of during set open enrollment periods. To achieve this, the bill establishes a Children’s Reinsurance Program, which spreads the risk of high-risk children among commercial insurance companies.

Oregon Health Insurance Exchange – SB 99. Creates a single marketplace for health insurance where individuals and small businesses can shop and compare the quality and value of plans. A governing board will establish participation guidelines, to ensure the exchange benefits consumers and small businesses.

Basic health insurance plans – SB 91. Requires insurance companies to offer basic health plans that will be offered in the Health Insurance Exchange, consistent with federal health reform. The bill also sets requirements for catastrophic health plans, which will only be offered through the Exchange.

OTHER INSURANCE

Life and health insurance guaranty fund benefit limits – HB 2087. Better protects consumers in the event an insurance company becomes insolvent. The bill increases the coverage limits for the Oregon Life and Health Guaranty Association, which covers insurance claims when a company goes bankrupt, much like the FDIC protects bank deposits. The association covers annuity contracts and life and health insurance policies.

Surplus lines insurance – HB 2679. Implements a national, standardized process for placing insurance coverage in the surplus lines market, reporting surplus lines transactions, and paying surplus lines fees and premium taxes to the state. Surplus lines insurance covers risks that traditional, state-regulated insurers do not cover, such as amusement park rides or stunt actors.

Personal vehicle sharing – HB 3149. Allows Oregonians to participate in a personal vehicle sharing program to ensure they have insurance coverage when they loan their car to others. The bill establishes requirements for these programs and prohibits insurance companies from canceling a policy solely because the consumer participates in a personal vehicle sharing program.

WORKERS’ COMPENSATION

Workers’ compensation managed care compliance – HB 2093. Protects injured workers by allowing DCBS to take enforcement action against companies that are managing worker care without being certified as managed care organizations. Such uncertified companies can interfere with and delay a worker’s medical treatment.

Workers' compensation reconsideration process, alternative dispute resolution – HB 2094. Encourages settlements regarding “reconsideration,” which occurs when a worker, insurer, or self-insured employer appeals the notice of claim closure that establishes the amount of disability benefits the worker can receive as a result of their work-related injury. The bill allows for a delay in the formal process so that the parties can negotiate a settlement. Negotiating a settlement outside the formal process can help workers receive benefits more quickly, avoid legal costs, and leave both parties more satisfied.

Podiatric physicians in workers' compensation – HB 2743. Allows podiatric physicians and surgeons to serve as attending physicians to injured workers. That means podiatrists can authorize time off work, make findings of impairment, and treat injured workers for an unlimited amount of time.

REGULATORY STREAMLINING

Language requirements for agricultural safety publications – HB 2091. Provides greater flexibility to DCBS in determining what non-English languages are most appropriate for workplace safety training materials for agricultural employers. Instead of requiring the department to translate the materials into nine listed languages, the bill allows DCBS to provide the material in English, Spanish, and any other language it determines to be appropriate after considering stakeholder input.

Mortgage lending rulemaking advisory committees – HB 2084. Allows for industry diversity on advisory committees on mortgage lending rules in order to represent the interests of those most likely to be affected by the rule. The bill provides DCBS with flexibility when forming advisory committees while being consistent with the Administrative Procedures Act's policy goal of increased public participation in the rulemaking process.

Interstate insurance product regulation compact – HB 2095. Makes more insurance products available to Oregonians by joining the Interstate Insurance Product Regulation Compact. The compact reviews and approves insurance products that meet uniform standards, including strong consumer protections. Once approved, the products can be sold in each of the participating states, greatly streamlining the process.

State boards and commissions – SB 440. Streamlines the meeting requirements for the seven boards that advise DCBS on building codes. Instead of having specific statutory meeting dates that do not always align with the needs of each board, the bill establishes two uniform requirements that allow for more flexibility while maintaining public accountability.

Appraisal management companies – HB 2499. Transfers regulatory authority over appraisal management companies from DCBS to the Appraiser Certification and Licensure Board, to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act. The act requires the state agency responsible for licensing and supervising individual appraisers to be the agency charged with appraisal management company regulation.