

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

Before the Insurance Administrator  
Department of Consumer and Business Services

In the Matter of Adopting OAR 836-071-0501	)	
and Amending 836-071-0500	)	
Relating to Aligning Oregon Surplus Lines Laws	)	SUMMARY OF TESTIMONY
with the Federal Nonadmitted and Reinsurance	)	AND HEARING OFFICER'S
Reform Act of 2010	)	RECOMMENDATION

**Procedures Followed**

On October 14, 2011, the Director of the Department of Consumer and Business Services filed with the Secretary of State a Notice of Proposed Rulemaking Hearing (Notice), giving notice that the Director proposed to begin rulemaking to align Oregon surplus lines laws with the federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRRA) that is part of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules amend the current surplus lines licensing and filing requirements rules and provide new insured and surplus lines licensee requirements regarding reporting of allocation information on Oregon home state risks.

The Notice announced that a public hearing on the proposed rules would be held on December 5, 2011, and that interested persons could submit comments through December 12, 2011. The Notice was filed with a Statement of Need and Fiscal Impact which included a Statement of Statutory Authority, Need for the Rules, Documents Relied Upon, Fiscal and Economic Impact, Statement of Cost of Compliance, and Advisory Committee Consultation. A copy of the Notice was published in the Secretary of State's Oregon Bulletin of November 2011. Copies of the Statement of Need and Fiscal Impact and the Notice of Proposed Rulemaking Hearing were delivered or mailed to representatives of surplus lines insurance companies, surplus lines licensees, property & casualty insurers, property & casualty and surplus lines trade associations, and the Office of the State Fire Marshal, to persons on the Division mailing list established under the Administrative Procedures Act, to legislators who are required by law to be notified, and to the press and to other interested persons. Copies were also made available to interested persons through the Division's e-notification system and were posted on the Division's web site.

The Division conducted an advisory committee meeting and solicited information from the participants about the fiscal impact of these rules. The committee reviewed the proposed fiscal impact and agreed that the fiscal impact from these rules should be minimal for the Surplus Line Association of Oregon, surplus lines licensees, and insureds who obtain independently procured surplus lines insurance.

**Testimony Received and Hearing Officer Recommendation**

The hearing was held as scheduled. Jeannette Holman, Senior Policy Analyst, was the hearing officer. No persons attended the hearing and the Division received no written comments by the comment deadline of December 12, 2011.

The hearing officer recommends that the rules be adopted as proposed.

The rulemaking was reviewed again for its economic effect on businesses, including small businesses, and there is no need for further change. The rulemaking is within the Director's rulemaking authority, and applicable rulemaking procedures were complied with.

Signed this 13th day of December 2011.

Department of Consumer and Business Services

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Jeannette Holman, Hearing Officer

This Summary and Recommendation are reviewed and adopted.

Signed this 14th day of December 2011.

Department of Consumer and Business Services

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Louis Savage, Acting Insurance Administrator