



# Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Division of Financial Regulation

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Salem, OR 97309-0405

## OREGON DIVISION OF FINANCIAL REGULATION BULLETIN DFR 2017-3

TO: The Surplus Lines Association of Oregon and  
All Surplus Lines Licensees and Their Producers

RE: Withdrawal of Insurance Division Bulletin 2011-1

The purpose of Insurance Division Bulletin 2011-1 was to outline nationwide regulatory changes that affected the placement of non-admitted insurance in Oregon upon passage of the Federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRA). The act took effect for new and renewal policies on July 21, 2011. The Bulletin outlined the law and was signed on July 11, 2011. Oregon passed House Bill 2679 during the 2011 Legislative Session to conform Oregon law to the NRRA effective January 1, 2012. The Bulletin provided guidance for the interim period.

### Purpose:

The purpose of this bulletin is to withdraw Oregon Insurance Division Bulletin INS 2011-1. The bulletin is withdrawn for the following reasons:

- The purpose of Bulletin No. INS 2011-1 was to provide guidance for all Oregon surplus lines licensees regarding changes required by the Nonadmitted Reinsurance Reform Act, (NRRA, 15 U.S.C. § 8206(6)) which became effective July 21, 2011.
- Bulletin No. INS 2011-1 was intended to assist surplus lines licensees in the interim between the effective date of the NRRA on July 21, 2011 and the effective date of the official change in Oregon law passed by the 2011 Legislature as House Bill 2679, which was effective January 1, 2012.
- NRRA preempted Oregon surplus lines law in certain areas. Those changes were outlined in Bulletin 2011-1 to assist licensees in carrying out their responsibilities under the new law.
- Oregon law changed to reflect the new requirements effective January 1, 2012. The items covered in the bulletin are now covered within the Oregon Insurance Code and associated federal regulations.
- As a precaution, beginning July 21, 2011 surplus lines licensees were required to provide allocation information on multi-state policies. The allocation information was required in

anticipation of possible future changes in sharing arrangements that were still being discussed at the time that the NRRA became effective. Forms for filing the data were included in the information required to be filed with the Surplus Line Association of Oregon and were later outlined in ORS 735.425 (1)(a)(E) in a manner that would provide the option to discontinue the allocation reporting if it became unnecessary. ORS 735.425(1)(a)(E) states that the report will include “[s]uch other pertinent information as the director may reasonably require.”

- Attempts to establish sharing arrangement agreements on a nationwide basis that would necessitate the information detailed in Bulletin No. 2011-1 have not occurred. At this time the division does not foresee the establishment of sharing arrangement agreements.
- Requirements for reporting of premium tax allocation and payment in Oregon outlined in the bulletin, and currently requested as a result of the interim reporting requirement is no longer necessary. Alternate sharing arrangement agreements were not entered into by Oregon, and the few attempts by other states to establish such arrangements have been terminated. Reporting forms can be altered to eliminate the additional work of allocating premium by surplus lines licensees.
- Should there be a need at a later date to implement requirements for reporting of premium tax allocation and payment in Oregon, the division may issue new guidance or rules at that time based upon the determination of necessity with other states.

**Authority:**

- ORS 735.425 (1)(a)(E)
- Federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRA), 15 U.S.C. § 8201 *et seq*

**Director’s expectations for insurers and other regulated entities**

This bulletin takes effect June 27, 2017.

Dated this 27th day of June 2017 at Salem, Oregon.



Laura Cali Robison, Insurance Commissioner  
Oregon Division of Financial Regulation