



**Department of Consumer and Business Services**

350 Winter Street NE, Room 200

P.O. Box 14480

Salem, Oregon 97309-0405

(503) 947-7872

[www.cbs.state.or.us](http://www.cbs.state.or.us)

Before the  
**Senate Committee on General Government, Consumer and Small Business  
Protection**

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**HB 2095**

Testimony of  
Jeannette Holman, Senior Policy Analyst  
Insurance Division  
Department of Consumer and Business Services

For the record, my name is Jeannette Holman. I am a Senior Policy Analyst for the Insurance Division of the Department of Consumer and Business Services. I am here today to testify in support of House Bill 2095, which would make Oregon a member of the Interstate Insurance Product Regulation Compact.

The Oregon Department of Consumer and Business Services must review most insurance products before they are offered to Oregonians. This state approval provides important consumer protections for products that vary depending on location, such as health, automobile, and homeowners insurance. However, policies for certain insurance products, such as life insurance and annuities, generally do not vary from state to state since these products tend to travel with consumers as they move across state lines and are not as sensitive to local costs and conditions. For these products, a national standard can protect consumers' interests.

Historically, if a company wanted to offer a new life insurance or annuity product on a national basis, it would have to go through separate regulatory approval processes in 56 jurisdictions (the compact is open to all states and territories of the United States) across the country. This process could result in a company submitting 30 or 40 versions of the same product to satisfy state-specific requirements. This was time consuming and administratively difficult, taking over a year to accomplish in some cases. Moreover, the “shelf life” of a particular annuity product is perhaps 24 to 48 months. So under the current system, some product designs that could be of value to Oregon consumers are never sold in Oregon, simply because companies fear they would be approaching obsolescence by the time they received approval for sale.

The Interstate Insurance Product Regulation Compact was created to address this problem. The compact process allows insurance companies to get new products approved and on the market in a timely and cost-effective manner. Thirty-eight jurisdictions (37 states and Puerto Rico) belong to the compact, which 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. The compact covers products in four insurance lines: life insurance, annuities, disability insurance, and long-term care insurance.

House Bill 2095 would add Oregon to the Interstate Insurance Product Regulation Compact. As a member of the compact, Oregon would participate in the development of product standards and would be able to ensure strong consumer protections while streamlining the approval process for insurance companies. New products would be more quickly available to Oregon consumers, and insurers would be able to offer a greater variety of products in Oregon. A member state is also allowed to opt out of a particular product approval if the state finds additional consumer protection is needed for the product.

I appreciate the opportunity to speak with you and am happy to answer any questions you might have.