



# SENATE MAJORITY OFFICE

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## NEWS RELEASE

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### **Legislation that protects Oregonians planning for retirement passes in Senate** *SB 1002 raises coverage for insurance annuities to protect consumers from risk*

SALEM – Legislation passed today in the Senate will provide greater protection to people who buy annuities, a financial product popular with seniors and those planning for retirement. Senate Bill 1002 raises the benefit limit for annuities from the current \$100,000 to \$250,000.

“Just as bank deposits are protected by the FDIC, money that consumers invest in annuities is covered by Oregon guaranty associations,” explained Senator Suzanne Bonamici (D-Washington Co./Portland), chair of the Consumer Protection and Public Affairs Committee. “The average amount invested in annuities has grown, but Oregon’s coverage limit hasn’t increased since 1991. This bill raises the limit so that investors will be better protected if an insurance company is liquidated or becomes insolvent.”

An annuity is an investment product in which an insurance company pays a consumer income at regular intervals in return for a premium payment made in a lump sum or over a contractual period. The limit is currently \$100,000, lower than the \$250,000 FDIC coverage limit and the \$250,000 level recommended by the National Association of Insurance Commissioners.

“Idaho and Washington both have higher coverage limits than Oregon,” said Senate Majority Leader Richard Devlin (D-Tualatin). “Oregon companies may be losing business because consumers have an incentive to purchase annuities in neighboring states that offer higher coverage limits.”

The bill will now go to the House for consideration.

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