

House Bill 4125

Sponsored by Representatives SPRENGER, POWER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires insurer to mail or deliver notice of cancellation of automobile insurance policy at least 30 days before effective date of cancellation.

Applies to vehicle liability policies issued on or after effective date of Act.

A BILL FOR AN ACT

1
2 Relating to the cancellation of automobile insurance policies; creating new provisions; and amending
3 ORS 742.564.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 742.564 is amended to read:

6 *742.564. [(1) No notice of cancellation of a policy to which ORS 742.562 applies shall be effective*
7 *unless mailed or delivered by the insurer to the named insured at least 30 days prior to the effective*
8 *date of cancellation and accompanied by a statement of the reason or reasons for cancellation, provided,*
9 *however, that where cancellation is for nonpayment of premium at least 10 days' notice of cancellation*
10 *accompanied by the reason therefor shall be given.]*

11 *[(2) This section shall not apply to nonrenewal.]*

12 **(1)(a) Except as provided in paragraph (b) of this subsection, a cancellation of a policy is**
13 **not effective unless the insurer mails or delivers a notice of cancellation to the named in-**
14 **ured at least 30 days before the effective date of the cancellation and includes with the no-**
15 **tice a statement of the reason or reasons for the cancellation.**

16 **(b) If a cancellation is for nonpayment of premium, an insurer shall mail or deliver the**
17 **notice of cancellation with a statement of reasons for the cancellation to the named insured**
18 **at least 10 days before the effective date of the cancellation.**

19 **(2) This section does not apply to nonrenewal.**

20 **SECTION 2.** The amendments to ORS 742.564 by section 1 of this 2020 Act apply to vehicle
21 liability insurance polices issued on or after the effective date of this 2020 Act.
22

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.