

HB 2982 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/22, 3/22

WHAT THE MEASURE DOES:

Requires insurers to offer 70 percent of coverage that insured has previously purchased for contents, without requiring inventory document, if loss is result of major disaster. Defines 'major disaster.' Requires insurers to notify insured that additional benefits may be available if inventory documentation is submitted. Insurer is required to disclose methodology for depreciating insured property, and to make payments within 30 days for undisputed contents when proof of loss forms are completed.

ISSUES DISCUSSED:

- Personal experiences of fire victims completing inventory documents for fire claim
- Ability of fire victims to receive payments from insurer within 30 days
- Definition of major disaster
- Utilization of dwelling coverage as basis for minimum payment
- Personal property insurance recovery process

EFFECT OF AMENDMENT:

-2 Amends definition of 'major disaster'. 'Major disaster' means a state of emergency the Governor declares under ORS 401.165 that involves or threatens to involve widespread loss of life, injury to persons or property, human suffering, or financial loss.

Requires payment for any covered loss of trees, shrubs or landscaping within 30 days after receiving documentation of the loss, such as documentation from a reputable landscaping contractor, that shows the number and nature of the trees, shrubs or landscaping that was damaged or destroyed unless the insurer disputes coverage or insurer and insured agree that insurer will pay costs later in claims process.

BACKGROUND:

Current law requires an insurer to provide proof of loss forms when a person claiming loss under an insurance policy makes a written request. However, the insurer has no responsibility to ensure completion of proof of loss forms. For the purposes of fire insurance, a person has 90 days after receipt of proof of loss forms to furnish proof of loss, notwithstanding anything more restrictive contained in the policy itself.

HB 2982 allows an insured person who experiences a total loss to receive a 70 percent payout of personal property coverage without inventory documentation, if an insured person provides documentation to the Department of Consumer and Business Services that home was furnished and the loss occurred as a direct result of a major disaster in a location that was subject to a declaration of a state of emergency under ORS 401.165.