

Enrolled House Bill 2563

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for Department of Consumer and Business Services)

CHAPTER

AN ACT

Relating to explanations required in connection with premium increases upon renewals of certain insurance policies; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 742.

SECTION 2. (1) As used in this section, “qualified policy” means an insurance policy that is:

- (a) Homeowner insurance, as defined in ORS 746.600; or
- (b) Personal insurance, as defined in ORS 746.600 (33)(a) and (c).

(2) An insurer that renews an existing qualified policy with an insured shall, at the insured’s written request, give a clear and reasonable written explanation for any increase in the amount of the premium the insured must pay upon renewing the qualified policy. A clear and reasonable written explanation is an explanation that provides to the insured, in language that is not technical and is understandable to an average policyholder, information that enables the insured to understand the insurer’s reasons for the increase.

(3) A clear and reasonable written explanation of a premium increase from an insurer under subsection (2) of this section must include all, but not more than four, of the factors that most significantly contributed to the premium increase. The Department of Consumer and Business Services by rule shall define when a factor significantly contributes to a premium increase. The factors that an insurer must consider for inclusion in the written explanation described in subsection (2) of this section are:

(a) The specific rating variables that contributed to an increase in the premium amount, including but not limited to:

(A) The location in which a motor vehicle is stored when not in use, the insured’s driving record, the number of miles the vehicle is driven in a specified period, the insured’s claims history and any fees, surcharges or discounts that apply to the premium amount;

(B) The insured’s age, education, gender, marital status and occupation, to the extent that the insurer may lawfully consider such items;

(C) Changes to a rate relativity or to a base rate, including but not limited to the use of credit history and a credit-based insurance score;

(D) The age, location and value of insured property; and

(E) Any rate caps or rate changes that apply to the premium rate, including rate caps or rate changes that apply under rate stability rules, transition rules or other premium capping rules; and

(b) Any other information the insurer wishes to disclose concerning the insurer's determination of the increase in the premium amount.

(4) In a printed or electronic offer to renew a qualified policy or notice of an automatic renewal of a qualified policy, an insurer shall include a prominent and conspicuous statement that tells the insured that the insured may ask the insurer or the insurer's agent in writing for an explanation of any premium increase. The insurer shall display the same statement on the first printed or electronic premium invoice the insurer sends after renewing a qualified policy.

(5) An insurer shall respond to an insured's written request under subsection (2) of this section not later than 20 days after receiving the request.

(6) The Director of the Department of Consumer and Business Services may prescribe by rule the form, format and contents of the written explanation and statement described in subsection (3) of this section and any required elements of an insurer's offer to renew a qualified policy or notification of an automatic renewal of a qualified policy.

(7)(a) This section does not apply to:

(A) Applications for or purchases of new insurance policies;

(B) A personal insurance policy that provides coverage for a boat, motorcycle, off-road vehicle, recreational vehicle, antique vehicle maintained as a collector's item or a vehicle maintained only for a specialty use that does not involve passenger transportation on the surface roads or highways of this state;

(C) A policy of insurance that covers health, disability, life, long-term care or to an insurer in renewing such a policy;

(D) Changes that an insured initiates with respect to an insurance policy's coverage or premium amount; or

(E) Personal umbrella insurance policies.

(b) This section does not require an insurer to disclose the contents of:

(A) A credit-based insurance scoring model;

(B) Criteria for placement of insurance;

(C) Eligibility rules;

(D) Confidential trade secrets; or

(E) Filings with the Department of Consumer and Business Services related to usage-based insurance or the usage-based component of a rate.

(8) The department shall adopt rules to implement the requirements of this section, including but not limited to rules requiring periodic data reporting from insurers that issue qualified policies to evaluate the impact of the required notices and rules that clarify the form and manner of the written request that an insurer must respond to under subsection (2) of this section.

SECTION 3. Section 2 of this 2025 Act applies to qualified policies that an insurer renews on or after the operative date specified in section 4 of this 2025 Act.

SECTION 4. Section 2 of this 2025 Act becomes operative on September 1, 2026.

SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.

Passed by House April 8, 2025

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate June 10, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

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Tobias Read, Secretary of State