

# HB 2563 A: Premium increase notices

## **Presenters:**

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Department of Consumer  
and Business Services

# The problem

- Consumer complaints to DFR demonstrate need for transparency on premium increases
- Consumers often want to know reasons their premiums increased, and if they can do anything to lower premiums
- Current Oregon law does not usually require insurers to disclose individualized specific reasons for these increases

# Example notice

<div></div>	
<div>INSURANCE COMPANY</div>	
<div>FEDERAL FAIR CREDIT REPORTING ACT DISCLOSURE NOTICE</div>	
<div></div>	<div>02-07-24</div>
<div></div>	
<div>Thank you for allowing <div></div> to provide your insurance.</div>	
<div>Your policy premium is based in part on information provided to us by the consumer reporting agency listed below.</div>	
<div>We are sending you this notice as required by the Fair Credit Reporting Act, because you received a higher price based on the claims loss history or driving record report.</div>	
<div>The consumer reporting agency listed below provided the following report(s) on which we based our decision.</div>	
<div>- Driving Record</div>	
<div>Please note that the consumer reporting agency did not participate in our adverse decision. They are unable to provide you with specific reasons for our decision.</div>	
<div>You have the right to obtain a free copy of the consumer report(s) from the consumer reporting agency whose address is listed below, if your request is made within 60 days of receiving this notice. You also have the right to dispute the accuracy or completeness of any information in the report(s) by contacting the consumer reporting agency at the address below. If we receive notice that inaccurate or missing information in your consumer report has been corrected, we will re-rate your policy.</div>	
<div>For a free copy or to dispute the accuracy or completeness of the report, contact:</div>	
<div></div>	
<div></div>	
<div></div>	<div>Endorsement Page 7 of 7</div>

# The solution: HB 2563

- Improves transparency by defining insurer responsibility to explain premium increases to policyholders
- Applies to:
  - Policies renewed on or after Sept. 1, 2026
  - Renewals only; will not apply to purchase of new policies
  - Auto and homeowners policies

# Notice requirements

- Insurers shall provide clear and reasonable explanations upon written request, for any premium increase at renewal
- Insurers shall include a prominent disclaimer on the first page of renewal notices and renewal billing statements, disclosing that policyholders can request an explanation by contacting their insurer in writing
- Insurers shall respond to the policyholder no later than 20 calendar days from the receipt of the written request

# Contents of notice

- Insurer's notice must include all, but not more than four, of the factors significantly contributing to the premium increase
- Contributing factors may include:
  - Claims history
  - Driving-related factors: Miles driven, driving record, location of vehicle
  - Demographic factors: Age, education, gender, marital status, occupation
  - Property-specific factors

# Other provisions

- Exemptions
  - No requirement to disclose trade secrets or highly sensitive data or models
  - If applicable, any usage-based component of rate is confidential
  - Does not apply to policyholder-initiated changes to insurance coverages, policies, or premiums.
- Data collection
- Rules to ensure consumer-friendly process to request notice

# Questions?

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