

AMENDED PROPERTY AND CASUALTY INSURANCE ORDER

Effective May 24, 2020, the Director of the Oregon Department of Consumer and Business Services issued a Property and Casualty Insurance Order to all insurers transacting property and casualty insurance¹ in Oregon. The order was directed to all insurers² that provide any type of property and casualty insurance coverage in Oregon and applied to all property and casualty insurance policies issued or delivered in Oregon. The order terminated the March 25, 2020, order for property and casualty insurers. The order was extended two times and was in effect through July 31, 2020.

The director now determines that the COVID-19 outbreak in Oregon, which resulted in a state of emergency³, continues to substantially interfere with the public's ability to carry on its normal course of business. The director, therefore, issues this amended order to be in effect through Aug. 30, 2020.

The director hereby notifies property and casualty insurers that if circumstances warrant an extension, the department will extend the duration of this amended order for subsequent additional periods of 30 days.

The director FINDS that:

1. On March 8, 2020, Oregon Gov. Kate Brown signed Executive Order 20-03, which declared a state of emergency due to the COVID-19 outbreak in Oregon under ORS 401.165.
2. On March 23, 2020, Oregon Gov. Kate Brown signed Executive Order 20-12, ordering Oregonians to stay at home, closing specified retail businesses, requiring physical distancing measures for other public and private facilities, and imposing requirements for outdoor areas and licensed childcare facilities.⁴
3. The COVID-19 outbreak in Oregon has resulted in widespread disruption to normal course of business in the state. These changes have disrupted the personal affairs of nearly all Oregonians and the activities of nearly all Oregon businesses.
4. The resulting widespread business closures, job losses, and physical distancing measures have severely affected the ability of people and businesses in Oregon to conduct normal activities, including timely premium payment and timely communications regarding claims

¹ The term casualty insurance is defined in ORS 731.158. The term property insurance is defined in ORS 731.182.

² The term insurer is defined in ORS 731.106 as "every person engaged in the business of entering into policies of insurance." For purposes of this order, the term includes all insurance companies, multiple employer welfare arrangements, and all similar entities engaged in the business of insurance in Oregon.

³ See Oregon Gov. Kate Brown's executive order declaring a state of emergency (EO No. 20-03), issued March 8, 2020. EO 20-03 can be found at https://www.oregon.gov/gov/Documents/executive_orders/eo_20-03.pdf. The most recent extension of the emergency order 20-03 can be found at: https://www.oregon.gov/gov/admin/Pages/eo_20-30.aspx

⁴ EO 20-12 can be found at https://www.oregon.gov/gov/Documents/executive_orders/eo_20-12.pdf.

submission and processing. People experiencing lengthy hospitalizations, quarantines, or complying with safety measures guidance may be unable to pay premiums or communicate claims information for an extended period. Businesses ordered to close or limit their operations for an extended period, or experience cash flow disruptions because of the outbreak, may experience similar difficulties.

5. Providing, as a temporary measure, extended grace periods for premium payments, postponement of cancellations and non-renewals, and relief from reporting and other required communications related to claims submission and processing for insureds, and from other duties of insureds that may be burdensome, will help mitigate the negative impact of the COVID-19 outbreak on Oregonians and Oregon's economy.
6. The disruption to the normal course of business caused by the outbreak will continue for at least the period of time that the amended order will be in force, and can be expected to affect all geographic regions of the state.

The director CONCLUDES that:

7. Pursuant to ORS 731.870, when the Governor declares a state of emergency under ORS 401.165, the director has the authority to issue an order addressing the following issues:
 - a. Reporting requirements for claims
 - b. Grace periods for payment of insurance premiums and performance of other duties by insureds
 - c. Temporary postponement of cancellations and nonrenewals
8. An order issued under ORS 731.870 may not be effective for more than 30 days, but may be extended at the director's discretion if circumstances warrant it for an additional period of not more than 30 days or for subsequent additional periods of not more than 30 days.
9. Pursuant to Oregon Administrative Rules 836-050-0300 and 836-050-0305, authorized by ORS 731.870, the circumstances of the declared state of emergency, as described in paragraphs 1 to 6 in this amended order, prevent or impair:
 - a. Insureds from using normal methods of reporting claims
 - b. Payment of insurance premiums and performance of other duties
 - c. Communication of notices of cancellation or nonrenewal from people to their insurers and communication from insurers to their customers.

Now therefore, the director ORDERS:


10. All property and casualty insurers must take the following actions regarding reporting of claims and other communications with their policyholders regarding claims, until the date this amended order is no longer in effect.
 - a. Extend all deadlines for policyholders to report claims or submit other communications related to claims. Deadlines that must be extended include, but are not limited to, deadlines to submit initial claims or to respond to communications related to claims payment and processing, or grievances and appeals.⁵
 - b. Property and casualty insurers must take all practicable steps to provide opportunities for policyholders to report claims or provide required communications related to claims via methods compatible with social distancing recommendations, including telephonic and online communications and postal mail.
11. Property and casualty insurers must give policyholders a single grace period of at least 60 days per policy to pay any premiums that are subject to this amended order if the policyholder has attested to the insurer that the nonpayment is due to COVID-19 pandemic-related loss of income and the person has not received a previous 60-day grace period from the insurer for the policy. Insurers must inform policyholders of the availability of a grace period under this paragraph. Information about the availability and the process for obtaining a grace period must accompany any notices of cancellation for nonpayment of premium pursuant to ORS 742.564 and the terms of the policy.
 - a. Premiums that are subject to this amended order are any premiums that, under the terms of an insurance policy, are due from the policyholder while this amended order is in effect but that are not paid by the due date.
 - b. The required minimum grace period begins on the day the premium would have been due under the terms of the policy and runs for 60 consecutive calendar days.
 - c. Nothing in this amended order prevents an insurer from providing a policyholder with a grace period longer than 60 days. Insurers that choose to offer longer grace periods must do so in a nondiscriminatory manner and may not consider claims experience of the policyholder.
12. Property and casualty insurers must take the following actions regarding cancellations and nonrenewals:
 - a. Suspend all involuntary cancellations and nonrenewals for all active property and casualty insurance policies for the following reasons:
 - i. Nonpayment of premium when the policyholder is in a grace period under paragraph 11
 - ii. A claim directly resulting from the circumstances of the COVID-19 outbreak
 - iii. Increased risk resulting from the COVID-19 outbreak
 - iv. For commercial lines policies, increased risk resulting from the provision of goods or services related to:
 - o Food, shelter, and essential consumer needs
 - o Education, health care, emergency services, government services

⁵ This provision does not apply to the requirements of ORS 656.262 for workers' compensation insurance.

- Care for elderly people, minors, people with disabilities, or other vulnerable people
 - Any good or service at the direction of a government official.
- b. The suspension of involuntary cancellations and nonrenewals under this amended order does not apply to policies for which a notice of cancellation or nonrenewal was sent prior to March 17, 2020.
- c. Pay claims for losses incurred during a grace period according to the terms of the policy. During this period, insurers may not pend claims solely due to nonpayment of premium, and may not recoup or claw back payment for claims incurred during this period. For property and casualty insurance policies issued to individual policyholders, insurers may offset claims payment required under this paragraph with any premium owed on the policy to the extent permitted by law.⁶ For property and casualty insurance policies issued to group policyholders, insurers may not offset claims payments with premium owed by the group, and shall pay the full amount of the claim owed to the beneficiary.
- d. Following the end of a grace period, an insurance policy may be cancelled or nonrenewed, subject to the following requirements:
 - i. A property and casualty insurer may not retroactively terminate a policy to a date any earlier than the last day of the grace period.
 - ii. A property and casualty insurer must provide notice of termination in accordance with the terms of the policy and the Oregon insurance code.
- e. For property and casualty insurance policies extended beyond the normal date of cancellation or nonrenewal because of this amended order, the premium for the extended coverage may be determined by the insurer in accordance with the terms of the policy, if applicable.
- f. For the duration of and following the amended order, an insurer may not cancel or nonrenew a policy solely because of a claim directly resulting from the circumstances of the COVID-19 outbreak, except in cases of fraud or intentional misrepresentation of a material fact as prohibited by the terms of the policy.

13. Nothing in this amended order shall be construed to relieve people of the obligation to pay premiums that are due under the terms of the insurance policy.

SO ORDERED this 1st day of August, 2020.



Andrew Stolfi, Director and Insurance Commissioner
Department of Consumer and Business Services

⁶ Offsets for workers' compensation insurance claims would not be permissible under ORS 656.419.