

Department of Consumer & Business Services  
**Oregon Division of Financial Regulation**  
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### **STANDARDS FOR CROP/HAIL AND AIRCRAFT**

This checklist (product standards) has been provided as an aid to assist you in preparing your filing. Please complete and attach the checklist under Supporting Documentation in SERFF. ORS 731.296, OAR 836-010-0011 (2) & (3).

This checklist includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. **The standards are summaries. Review of the entire statute or rule will be necessary.** After diligent consideration has been given to each item, mark the appropriate box, or provide the applicable page and paragraph. Compliance with these provisions must be certified by both the filer and an officer of the company signing the Certificate of Compliance form. These signatures certify the filing being submitted meets the requirements of our checklist and statutes. "Not applicable" can be used only if the item does not apply to the coverage being filed. Any line left blank may result in the delay or disapproval of the filing.

**Complete and attach this checklist in SERFF.**

**Highlighted sections are either new sections or simply highlighted to assist the filer in recognizing high importance items.**

**TOI (type of Insurance) code:**  02.1 Crop  02.1001 Crop/Hail  22.0 Aircraft

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)
<b>GENERAL REQUIREMENTS (FOR ALL FILINGS)</b>			
Requirements	ORS 742.003, ORS 737.205 OAR 836-010-0011 As required on SERFF or our website	<p>Required filing requirements are located on SERFF or on our website at: <a href="http://dfr.oregon.gov/rates-forms/Pages/index.aspx">http://dfr.oregon.gov/rates-forms/Pages/index.aspx</a>.</p> <p>The applicable information must be attached correctly in order for the form filing to be considered complete.</p> <p><b>General Information Tab.</b>            A description/explanation of the filing contents.            Please note, information included in the Filing Description can be edited using a post submission update. If a cover letter is attached, a new cover letter could be submitted if necessary.</p> <p><b>Form Schedule Tab:</b></p> <ol style="list-style-type: none"> <li>1. Only the clean copy of the submitted form should be individually attached under the Form Schedule.</li> <li>2. Only one PDF per Schedule Item.</li> <li>3. The form number should appear exactly as shown on the PDF. Any edition/revision date used in the form number must be included under the Form Number column.</li> <li>4. It is not necessary to use the Edition Date column as this creates duplicate information.</li> <li>5. The Form Type column must be completed correctly.</li> <li>6. When replacing a form, the filer must correctly fill out the Previous Filing # field under the Action Specific Data column with the 8 digit State assigned filing number, and when applicable, the SERFF Tracking Number. If the filing was submitted after September, 2011, there will only be a SERFF tracking number assigned. The form number of the previously approved form must be typed under the Replaced Form # field. Please be sure to type this form number (including the edition date) exactly the way it appeared when the original filing was submitted.</li> </ol> <p><b>Rate and Rule Tab:</b>            Rates and rules should be submitted under the Rate and Rule tab. (Place the Actuarial Memorandum under the Supporting Documentation tab. See below.)</p>	<p>Yes    N/A  <input type="checkbox"/>    <input type="checkbox"/></p> <p>Yes    N/A  <input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p>Yes    N/A  <input type="checkbox"/>    <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)	
Requirements	ORS 742.003, ORS 737.205 OAR 836-010-0011 As required on SERFF or our website	<b>Supporting Documentation Tab:</b> Other filing requirements as listed below, or other documentation used to assist us in our review, should be submitted under the Supporting Documentation tab under the correct heading. 1. If the General Information area is not used, then a Cover letter or Filing Memorandum should be under the Supporting Documentation tab that explains the intent or purpose of the forms/rules/rates. 2. Third-party filer's letter of authorization if applicable. 3. Signed Certificate of Compliance, form 440-3894. 4. For form submissions, a comparison document (annotated, highlighted, red-lined, or side-by-side) must be provided for each previously approved form. Submit document/s under the Supporting Documentation tab. 5. Rates, rules, and actuarial memorandum with an overview of the contents of the filing and the reasons and procedures used to support the rate change. 6. Attach to the Supporting Documentation tab, those previously approved Oregon Amendatory Endorsements that bring the submitted forms into compliance with Oregon requirements.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
Policy Documentation	ORS 742.003(1), ORS 737.205	Included in this filing for review: 1. New or revised policy. 2. Endorsements. 3. Application. 4. Rates and rules. (Crop/hail only).	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
Requirements	ORS 742.048(2)	No policy has been issued or will be issued upon the forms in this filing until approved.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>

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<b>FORMS</b>			
Access to courts	ORS 742.061	Attorney fees - If a claim settlement is not made within six months and action is brought to court, should the plaintiff's recovery exceed the amount of payment made by the defendant, the court will set attorney fees to be paid as part of the costs of legal action and any appeal.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Application	ORS 742.013, ORS 742.016, Bulletin INS 2010-3	If any material or information obtained through the application process will be used to deny a claim or cancel coverage, then the application needs to be filed for prior approval. This includes any supplemental application form being used. Insurers offering via the internet would need to file screen prints so we can determine if the questions are unfairly discriminatory or not, and to make sure any fraud warning used complies with Oregon laws. If the insurance policy contains fraud, concealment, and/or material misrepresentation verbiage – the application must also contain a compliant Oregon fraud warning. See insurance bulletin INS 2010-3 for guidance.	Confirm <input type="checkbox"/>
Appraisal	ORS 742.232 Molodyh vs Truck Insurance Exchange Bulletin DFR 2020-1	All policies that include the peril of fire contain a provision that if the insured and the insurance company do not agree on the actual cash value or the amount of loss, then, upon mutual agreement, each will select an appraiser and notify the other of the appraiser selected within 20 days of such disagreement. The appraisers shall follow the procedures in ORS 742.232. Each appraiser shall be paid by the party selecting the appraiser and the expenses of appraisal and umpire shall be paid by the parties equally. (See Oregon Supreme Court case law on Molodyh vs Truck Insurance Exchange 304 Or. 290, 744 P.2d 992 (1987)). The process shall take place at a mutually agreed to location in Oregon, and according to Oregon laws.	Page____ Paragraph____ N/A <input type="checkbox"/>

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Arbitration	Bulletin DFR 2020-1	<p>Voluntary arbitration is permitted by the Oregon Constitution and statutes. Please see additional details below:</p> <ul style="list-style-type: none"> <li>• Either party may elect arbitration at the time of the dispute (after the claimant has exhausted all internal appeals if applicable);</li> <li>• There must be mutual agreement at the time of the dispute to use an arbitration process. Mandatory arbitration is not allowable;</li> <li>• Arbitration will take place in the insured's county or at another agreed upon location;</li> <li>• Arbitration will take place according to Oregon law.</li> <li>• The process may not restrict the injured party's access to other court proceedings;</li> </ul> <p>Restricting participation in a class action suit is permissible.</p>	<p>Page _____ Paragraph _____</p> <p>N/A <input type="checkbox"/></p>
Bankruptcy - Aircraft	ORS 742.031	The policy includes a bankruptcy provision similar to that in ORS 742.031.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
Cancellation & Non-renewal	ORS 742.224(2)	If the policy includes the peril of fire, then the policy requires 10 days written notice prior to cancellation for premium nonpayment and 30 days written notice for any other cancellation reason.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
	ORS 742.023(1)(e)(f)	The policy clearly defines the cancellation refund method.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
	ORS 742.224(1)	If the policy includes the peril of fire, it contains a provision that the policy may be canceled at any time at the request of the insured. It also states that when the policy has been surrendered, the premium over and above the customary short rates will be refunded back to them. Refunds must be made within a reasonable time. A prorate return is allowed.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
	ORS 742.224(3)	In a policy that includes the peril of fire, when the insurer sends notice of cancellation it states that the excess of paid premium above the pro-rata premium for the expired time, if not tendered with the notice, will be refunded on demand.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
Controlled Substances, Marijuana or Cannabis	Bulletin DFR 2021-4	<p>Policy language must be clear and unambiguous and be based upon Oregon laws. Any exclusion for possession or use of a controlled substance must allow for the legal use or possession of a prescribed substance. Marijuana and cannabis products are legal both medicinally and recreationally used under Oregon laws.</p>	<p>Page _____ Paragraph _____</p> <p>N/A <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)
Criminal Act Exclusion	ORS 742.005(2)	Contract language must be clear and unambiguous, and non-subjective in its application to a specific loss. There should be a connection to the coverage being provided under the policy.	Page _____ Paragraph _____ N/A <input type="checkbox"/>
Dishonest Act	ORS 742.005(2)	Contract language must be clear and unambiguous, and non-subjective in its application to a specific loss. The insurer must be able to prove the claimant committed a dishonest act and that it was intended to cause a loss under the policy.	Page _____ Paragraph _____ N/A <input type="checkbox"/>
Discrimination	ORS 746.015	A policy does not unfairly discriminate in insuring against risks of essentially the same degree of hazard.	Confirm <input type="checkbox"/>
	ORS 106.300 thru ORS 106.340, Bulletin 2008-2, OAR 836-081-0010	A provision that recognizes a domestic partnership is included in the policy. Terms and provisions in the Insurance Code and in rules adopted under the Code that refer to or indicate the marital relationship, its dissolution and dependents in a marital relationship will apply in the same manner to domestic partnerships, to their dissolution and to dependents in the partnership.	Confirm <input type="checkbox"/>
Defense costs	ORS 742.063	Aircraft - A liability form providing that defense costs are included within the stated policy limits contains a statement disclosing that these costs are included within policy limits.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Exclusions	ORS 742.005(2), ORS 742.023(1)(c)	The policy clearly identifies the exclusions and limitations on the coverage.	Confirm <input type="checkbox"/> <input type="checkbox"/>
Terrorism	Terrorism position INS 2015-1 and E-notification	Loss due to terrorism may not be excluded in any personal insurance product. Commercial insurance is subject to the Federal Terrorism Risk Insurance Act and its re-authorizations. Beginning in 2002, Oregon has issued guidance on the subject of TRIA/TRIPRA, including an e-notify for the 2019 re-authorization. Forms are required to be filed for prior approval. Policyholder Disclosure forms are also required to be filed for review and approval. Rules and rates (or loss costs) are required to be filed.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 742.206 and ORS 742.212	Any commercial policy that includes property coverage must use an approved Terrorism form and/or Disclosure that states loss due to fire is covered up to the limit provided in the policy. Oregon is a "standard fire state"; therefore, property loss due to terrorism cannot be excluded, limited, or restricted.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)
Fraud	ORS 742.013 ORS 742.208 Bulletin INS 2010-3	<p>If the policy has fraud, concealment, misrepresentation language, then the application is required to include a fraud warning. If one is included, it is general in nature and does not state that the applicant is “guilty” of fraud, but that they “may be” guilty of fraud. Fraud or misstatement warnings that mention criminal or civil penalties must avoid definite statements of the criminal nature of an act, guilt, or possible penalties. A warning that specifies that knowingly providing false information “may be” a crime, which “may be” grounds for criminal or civil penalties is appropriate</p>	Confirm <input type="checkbox"/>
		<p>Fraud or misstatement warnings that mention denial of recovery as a possible consequence of an omission, concealment, misstatement or misrepresentation must disclose that in order to deny a claim on this basis, the insurer must demonstrate that the misinformation was material to the content of the contract, that the insurer relied upon this information, and that the misinformation was either provided fraudulently or was material to the risk or hazard assumed by the insurer.</p> <p>Fraud or misstatement warnings that mention cancellation, voiding, or rescission of a policy as possible consequences of an omission, concealment, misstatement or misrepresentation must disclose the line-specific statutory limits to these remedies. Insurers should review Bulletin INS 2010-3 and the Insurance Code to determine whether their statements comply.</p>	Confirm <input type="checkbox"/>

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Intentional Act Exclusion	<p>ORS 742.005 (2)</p> <p>OAR 836-080-0900, 836-080-0905</p> <p>Bulletin DFR 2022-2</p>	<p>Intentional acts exclusions are allowable in policies, but should not encompass losses due to negligence or unintended acts or harm.</p> <p><b>OAR 836-080-0900</b>  <b>Definitions</b>  As used in OAR 836-080-0900 to 836-080-0905:  (1) "Covered loss" means any loss, damage, or injury that would be covered by a property and casualty personal lines policy unless arising out of an act or omission of a person insured under such policy.  (2) "Innocent person" means, with respect to any covered loss, a person:  (a) Who did not cause such covered loss;  (b) Who did not materially contribute to such covered loss; and  (c) Who did not know that such covered loss was reasonably likely to occur or undertook reasonable efforts to prevent or limit such covered loss.</p> <p><b>OAR 836-080-0905</b>  <b>Language used for co-insureds on property and casualty personal lines policies</b>  No property and casualty personal lines policy may contain any provision or other language that would deny coverage to any innocent person insured under such policy for any covered loss arising out of any act or omission of any other person insured under such policy.</p> <p>Language conveying that an exclusion applies whether or not the insured had the requisite intent will also be disapproved. Currently approved exclusionary language without this type of expansive language may continue to be used. Unclear, ambiguous, vague or misleading policy exclusion language that would potentially exclude coverage for a policyholder over negligent acts or unintended acts, injuries, damages or harms will be disapproved, pursuant to ORS 742.005(2).</p>	<p>Yes    N/A  <input type="checkbox"/>    <input type="checkbox"/></p>



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Legibility	ORS 742.005(2)	The forms are clear and understandable in the presentation of premiums, labels, descriptions of the contents, title, headings, backing, and other indication (including restrictions) in the provisions. The information is clear and understandable to the consumer and is not unintelligible, uncertain, ambiguous, abstruse, or likely to mislead.  The policy does not contain inconsistent, ambiguous or misleading clauses, or contain exceptions and conditions that unreasonably affect the risk purported to be assumed in the general coverage of the policy	Yes <input type="checkbox"/> No <input type="checkbox"/>
Loss settlements	ORS 742.053(2)	Insurers must furnish a proof of loss form when requested in writing by a person claiming to have a loss under the policy. An insured must have at least 90 days from the date the form is furnished to complete the form and submit it.	Confirm <input type="checkbox"/>
Misrepresentation /misstatements	ORS 742.013, ORS 742.208	A provision in the policy, or the application, makes it clear that statements made by the insured, in the absence of fraud, are representations and not warranties.	Confirm <input type="checkbox"/>
Policy period	ORS 742.048	The policy states that coverage commences at 12:01 a.m. on the policy effective date, unless a binder states otherwise. <b>A full term of coverage would be 12:01 am on the effective date of the policy to 12:01 am on the expiration of the policy term. Use of a different expiration time could result in an unintentional lapse of coverage that might harm the insured. We recommend using a consistent start and end time.</b>	Confirm <input type="checkbox"/>
Rebates	ORS 746.035, ORS 746.045, ORS 746.045(3)	Are inducements or rebates specified in the policy? If "yes," explain in the cover letter and identify the location in the policy and rating plan. <b>ORS 746.045(3) allows an exception if the total value does not exceed \$100 per person/per year.</b>	Confirm <input type="checkbox"/>
Requirements	ORS 742.240	A provision is in a policy that includes the peril of fire that informs the insured they must have complied with all the requirements of the policy in order to bring suit against the company. The policy must also contain a provision that law suits must be brought within 24 months after loss.	Confirm <input type="checkbox"/>

**CROP/HAIL ONLY: RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS**

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)
Discrimination	ORS 746.015, OAR 836-081-0010	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and application of rates.	Yes <input type="checkbox"/> No <input type="checkbox"/>

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<b>Ratemaking generally</b>			
Credibility	ORS 737.310, OAR 836-010-0021	1. Provide all data used and judgments made. 2. Provide description of methodology used.	Confirm <input type="checkbox"/> Confirm <input type="checkbox"/>
Fees, service charges, taxes	ORS 737.310, OAR 836-010-0021	Provide cost-accounting justification on initial filings and subsequent changes.	Confirm <input type="checkbox"/>
Loss valuation	ORS 737.310, OAR 836-010-0021	Premiums: 1. Earned premium and earned premium at present rates for each coverage or combined coverages using the extension of exposures or on level factors. 2. A rate level history. 3. Adjustment for inflation. 4. State whether data is on a basic or total-limits basis.	Confirm <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		ORS 737.310, OAR 836-010-0021	Loss data: 1. Each year and coverage includes: 2. Earned exposures. 3. Incurred losses. 4. Loss development factors. 5. Description of the methodology used to derive the loss development factors. 6. Unallocated loss adjustment expense. 7. Allocated loss adjustment expenses. 8. Ultimate incurred losses and loss adjustment expenses. 9. Trend factors. 10. Trended ultimate incurred losses and loss adjustment expense (LAE).
		If losses are separated into catastrophic and non-catastrophic, a description of the method used to separate losses.	<input type="checkbox"/>
Investment income	ORS 737.310, OAR 836-010-0021	1. Cash flow method <i>or</i> 2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium.	Confirm <input type="checkbox"/> <input type="checkbox"/>
Underwriting profit & contingencies	ORS 737.310, OAR 836-010-0021	1. Oregon data for commission and brokerage.	<input type="checkbox"/>
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	<input type="checkbox"/>
		3. Oregon data for taxes, licenses, and fees.	<input type="checkbox"/>
		4. Expense trend.	<input type="checkbox"/>
		5. Historic experience.	<input type="checkbox"/>