

Department of Consumer & Business Services
Oregon Division of Financial Regulation - 5
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STANDARDS FOR HOME PROTECTION FORM AND RATE FILINGS

This checklist (product standards) has been provided as an aid to assist you in preparing your filing. It does not need to be included with a paper submission, nor does it need to be attached in SERFF under the Supporting Documentation tab. However, the reviewer may request the completed checklist (product standards) at any time during their review. 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 may 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. If the reviewer requests the checklist (product standard), any line left blank may result in the delay or disapproval of the filing.

This checklist is NOT APPLICABLE to the following:

For TOIs not listed, see our Web site for instruction, <http://dfr.oregon.gov/rates-forms/Pages/index.aspx>.

Filing of simple endorsements, title or declaration pages; see Web site for requirements.

Market: Personal lines

TOI code: 33.0 Other lines of business

Sub-TOI: 33.0001 Other Personal Lines

Types of coverage filed: (check one)

- Casualty insurer writing home protection insurance defined under ORS 731.158(4). This can include water, sewer, and utility lines that are located on residential property.
- Monoline home protection insurer defined under ORS 731.164. This can include water, sewer, and utility lines that are located on residential property.

Please Note: A home warranty or home service agreement may be filed as a service contract if qualifications are met pursuant to ORS 646A.150 to ORS 646A.172.

GENERAL REQUIREMENTS (FOR ALL FILINGS)

Review requirement	Reference	Description of review standards requirements	Check Answer
Requirements	OAR 836-010-0011 As required on SERFF or our Web site	<p>Required filing requirements are located on SERFF or on our Web site at: http://dfr.oregon.gov/rates-forms/Pages/index.aspx.</p> <p>If a filing is submitted in SERFF, the applicable information must be attached correctly in order for the form filing to be considered complete.</p> <p>Redlines of previously approved documents must be attached under the supporting documentation tab. Clean copies of the submitted form(s) must be attached under the Form Schedule tab. Each form within the file must be attached to a separate Schedule Item under the Forms Schedule tab. The form number must appear exactly as shown on the PDF document.</p> <p>We prefer the revision date to be part of the form number. Do not add the edition date to both the Form Number column and the Edition Date column. The Form Type column and the Action Specific Data column must be completed correctly. When submitting revised documents provide the previous Oregon Filing Number and the form number, including the edition date of the previously approved form.</p> <p>Rates and rules must be submitted under the Rate and Rule tab. The Actuarial Memorandum must be submitted under the Supporting Documentation tab. 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. If submitting a paper filing, please see #9 below.</p> <ol style="list-style-type: none"> 1. Transmittal form. (Only required when submitting a paper filing. 2. A Filing Description under the General Information tab or a Cover letter or Filing Memorandum under the Supporting Documentation tab that explains the intent or purpose of the forms/rules/rates. 3. Third-party filer's letter of authorization if applicable. 4. Signed Certificate of Compliance, Form 440-3894. 5. For form submissions, has a comparison document (annotated, highlighted, red-lined, or side-by-side) been provided for each previously approved form? Submit document(s) under the Supporting Documentation tab. 	<p>Yes No</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><input type="checkbox"/> <input type="checkbox"/></p>

Review requirement	Reference	Description of review standards requirements	Check Answer
Requirements, continued	OAR 836-010-0011 As required on SERFF or our Web site	<p>6. The rates and/or rules are attached to the Rate Schedule tab. An actuarial documentation that provides an overview of the contents of the filing, and the reasons and procedures used to support the rate change has been attached to the Supporting Documentation tab.</p> <p>7. Each form being filed for approval is attached to a separate Schedule Item under the Form Schedule tab.</p> <p>8. Attach to the Supporting Documentation tab, those approved amendatory endorsements which bring the forms into compliance with Oregon statutes.</p> <p>9. When submitting a paper filing, send two complete sets of the entire filing. Include a self-addressed, stamped envelope that is large enough to return the second copy of the filing.</p> <p>NOTE: This checklist does not need to be submitted with the filings. However, it may be requested by the reviewer. Please use this document as a tool to help you comply with our requirements.</p>	<p>Yes No</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>
	ORS 742.003(1), ORS 737.205	<p>The following are submitted in this filing for review:</p> <p>1. New or revised policy.</p> <p>2. Endorsements.</p> <p>3. Application.</p> <p>4. Rates and Rules.</p>	<p>Yes No</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>
	ORS 737.205, ORS 742.003	No policy has been issued or will be issued using the forms in this filing until the submitted forms have been approved. Rates must be filed prior to use.	<p>Yes No</p> <p><input type="checkbox"/> <input type="checkbox"/></p>

FORMS			
Review requirement	Reference	Description of review standards requirements	Check Answer or enter page & paragraph
Legibility of forms	ORS 742.005(2)	<p>The forms are clear and understandable in the presentation of premiums, labels, descriptions of contents, title, headings, backing, and other indication (including restrictions) in the provisions. The information is clear and understandable to the consumer and is not ambiguous, abstruse, unintelligible, uncertain or likely to mislead.</p> <p>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</p>	<p>Yes No</p> <p><input type="checkbox"/> <input type="checkbox"/></p>

Review requirement	Reference	Description of review standards requirements	Check Answer or enter page & paragraph
Application	ORS 742.013, ORS 742.016	Claims cannot be denied based upon information provided by the insured, or on behalf of an insured, unless the signed application is made part of the policy and the information is material to the policy including acceptance of risk or hazard insured or the information is fraudulent. If the application is attached to, or made part of the policy, prior approval is required.	Yes N/A <input type="checkbox"/> <input type="checkbox"/>
Policy period	ORS 742.280(1)(c), ORS 742.048	<u>Effective date and time</u> – Policy states that coverage commences at 12:01 a.m. and the date. The policy states the period during which the policy will be in effect and the renewal terms, if any.	
Title & headings	ORS 742.005(2)	Each form filed identifies the insurer and is clearly titled. Headings for benefits include references to any limitations and restrictions in the provision.	Yes No <input type="checkbox"/> <input type="checkbox"/>
Access to courts	ORS 742.061	<u>Attorney fees</u> – 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.	
Fraud	ORS 742.013, 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 he or she “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> <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>	

Review requirement	Reference	Description of review standards requirements	enter page & paragraph
Misrepresentation /misstatements	ORS 742.013	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.	
Arbitration	<i>Molodyh vs Truck Insurance Exchange.</i> 304 Or. 290, 744P.2d 992 (1987)	An arbitration or appraisal provision is not required. However, when an arbitration or appraisal condition is provided, the clause shall provide for mutual agreement.	
	ORS 36.600-ORS 36.740	Voluntary arbitration is permitted by the Oregon Constitution and statutes after all internal appeals have been exhausted and can be binding upon consent of the covered insured. <i>(If the policy provides for arbitration when claim settlement cannot be reached, the enrollee may elect arbitration by mutual agreement at the time of the dispute. Arbitration takes place under the laws of Oregon or another agreed-upon procedure. Arbitration must be held in the insured's county and state.)</i>	
Cancellation/ non-renewal	ORS 742.280(2)	A home protection policy is non-cancellable during the term for which it is originally written and may provide for the renewal of coverage.	
	ORS 742.005(2), ORS 742.023	The insured/policyholder may cancel the home protection insurance policy for any reason at any time, with written notice to the insurer. The contract must clearly state how a cancellation return premium will be calculated. No claim incurred or paid nor any repair made, will be deducted from the amount to be returned in the event of policy cancellation.	
	ORS 742.280(2)	Cancellation may be for nonpayment of the premium charge for the policy or for fraud or misrepresentation of facts material to the issuance of the policy. However, a policy providing coverage while the subject home is being offered for sale is cancellable in accordance with the policy provision, if no sale is made.	
	ORS 742.280(2)	If cancelling or non-renewing a home protection policy, the Division of Financial Regulation recognizes fair notice as at least 30 days' written notice, with the reason. Any deviation from the fair notice must be justified.	
Exclusions	ORS 742.280(1)(b)	The policy clearly identifies the exclusions and limitations on the coverage.	
Fees, service charges, taxes	OAR 836-071-0267(1), ORS 731.808, ORS 737.205	All charges to the policyholder are listed on the declarations page. Only filed rates and premium charges are permitted.	

Review requirement	Reference	Description of review standards requirements	Check Answer or enter page & paragraph
Discrimination	ORS 746.018, ORS 106.300 thru ORS 106.340, OAR 836-081-0010, Bulletin 2008-2	A policy does not unfairly discriminate in insuring against risks of essentially the same degree of hazard for burglary, theft, robbery, or casualty.	
		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	
Loss settlement	ORS 742.053	Policy states that proof of loss forms are available from an insurer upon request by an insured.	
Primary coverage	ORS 742.280(1)(a)	The policy specifies the home, home components, and personal property relating to the home or its components that are covered by the policy.	
	ORS 742.280(1)(d)	The policy states the particulars regarding the performance of services, if any, by or on behalf of the insurer, including at least the following: (A) The kinds of services to be performed by or on behalf of the insurer and the terms and conditions of the performance. (B) The service fee or deductible amount, if any, to be charged for the services. (C) All limitations regarding the performance of services, including any restrictions on the time period or geographical area within which services may be requested or will be performed. (D) A statement that services will be performed upon the insured's telephoned request to the insurer, without any requirement that a claim form or service application be filed before service is performed. (E) A representation that services will be initiated by or under the direction of the insurer within 48 hours after request is made for services.	
	ORS 742.005(2), ORS 742.023	Policy states the value of the benefit, defines the terms of coverage, and describes the conditions and provisions pertaining to the coverage.	
Rebates	ORS 746.035, ORS 746.045	Inducements or rebates specified in the policy. If answer is other than "N/A," details must be included in the rates and rules filing.	

RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS

Review requirement	Reference	Description of review standards requirements	Check Answer or enter page & paragraph
Requirements	ORS 737.205	Copies of rates, rating plans, and rating systems are included in the filing.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	ORS 737.205(1)	Effective date is not earlier than the date the filing is received by the Division of Financial Regulation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Cancellation and non-renewal	ORS 737.205	Rules and rates must clearly state how a cancellation return premium will be calculated, and must include any additional fees that will be charged to process the cancellation. No claim incurred or paid nor any repair made, will be deducted from the amount to be returned in the event of policy cancellation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Discrimination	OAR 836-081-0010, ORS 746.015	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and the application of rates.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Fees, service charges, taxes	ORS 737.205, ORS 746.130(3)	Charges for any insurance incidental to the purchase are included in the filed rates.	
	ORS 737.310(4)(5)	Provide cost-accounting justification on initial filings and subsequent changes. Due consideration shall be given to past and prospective loss experience within this state, to the hazards of conflagration and catastrophe, to a reasonable margin for profit and to contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses specially applicable to this state, and to all other relevant factors, including judgment factors deemed relevant, within this state. In addition, rates for home protection insurance may include provision for unreimbursed cost or risk inspection and for loss cost under policies which are terminated without premium because the related home sale is not made.	
Fictitious group	ORS 737.600	Fictitious groups for rate purposes meet the requirements of ORS 737.600(3)(d) for mass-marketing plans.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment income	ORS 737.310	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.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Loss valuation	ORS 737.310	Premium data.	
		Loss and LAE data.	
		Expected loss ratio.	

Review requirement	Reference	Description of review standards requirements	enter page & paragraph
Rebates	ORS 746.035, ORS 746.045	Are inducements or rebates specified in the policy? (If “yes,” explain in the cover letter and identify the location in the rule.)	
Schedule rating	ORS 737.205	Schedule rating plan identifies the credit or debit modification criteria and the maximum plan modification.	
Underwriting profit & contingencies	ORS 737.310	1. Oregon data for commission and brokerage.	
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	
		3. Oregon data for taxes, licenses, and fees.	