

Department of Consumer & Business Services
Oregon Division of Financial Regulation – 5
Rates and Forms Section
P.O. Box 14480
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**STANDARDS FOR SERVICE CONTRACT and VEHICLE PROTECTION PRODUCT WARRANTY REIMBURSEMENT LIABILITY
FORMS, RATES, AND RULES**

This checklist (product standards) has been provided as an aid to assist you in preparing your filing. This checklist includes relevant statutes, rules, bulletins, and other documented positions and is required by OAR 836-010-0011(2) & (3). **The standards are summaries and review of the entire statute or rule may be necessary.**

Please review each item, and mark the “Yes,” “Confirm,” or the “N/A” box. “Not applicable” can be used only if the item does not apply to the coverage being filed. Some areas may ask for the Page and Paragraph where the required information may be found in the filed materials. Compliance with these provisions must be certified by both the filer and an officer of the company signing the Certificate of Compliance form.

This checklist (product standards) needs to be completed and attached under the Supporting Documentation tab in SERFF. Any line left blank may result in the delay or disapproval of the filing.

Market: Commercial

(TOI) Type of insurance: 17.1004 Other Liability – Occurrence Only – Contractual Liability

IMPORTANT NOTE: This checklist is only for use in filing a Contractual Liability Insurance Policy (CLIP) for sale to a service contract Obligor, and/or a vehicle protection product warranty Warrantor.

If filing a CLIP for sale to a commercial insured who provides a GAP Waiver pursuant to the 2015 legislation found in House Bill 2845, Chapter 523, Oregon laws 2015, please use product standards checklist 440-3610 and TOI 17.2004

If filing a CLIP that will be sold to any other commercial insured to provide liability coverage for all obligations and liability incurred under the terms of oral or written contracts issued by that provider, please use product standards checklist 440-3610 and TOI 17.0004

Review requirements	Reference	Description of review standards requirements	Check Answer or Confirm
GENERAL REQUIREMENTS (FOR ALL FILINGS)			
Filing submission	OAR 836-010-0011 As required on SERFF or our Web site	<p>Filing requirements are located on SERFF or on our web site at: http://dfr.oregon.gov/rates-forms/Pages/index.aspx. The proper information must be attached to the correct Schedule Items in order for the filing to be considered complete.</p> <p>General Information Tab. A description/explanation of the filing contents is included. Please note, information included in the Filing Description cannot be edited. However, if a cover letter is attached; a new cover letter could be submitted if necessary.</p> <p>Forms Schedule Tab:</p> <ol style="list-style-type: none"> 1. Only the clean copy of the submitted form should be attached individually under the Form Schedule. 2. Only one PDF per Schedule Item. 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. 4. It is not necessary to use the Edition Date column. 5. The Form Type column must be completed correctly. 6. When replacing a form, the filer must correctly fill out the Previous Filing # field under the Action Specific Data column with the Oregon assigned State Tracking (filing) number. If the filing was submitted after September 2011, there will only be a SERFF tracking number assigned. 7. The form number of the previously approved document must be typed under the Replaced Form # field. Please type this form number, including the edition date, exactly as it appeared when the form was originally submitted and approved. <p>Rates and Rules Tab: Rates and rules should be submitted under the Rate and Rule tab. Place the Actuarial Memorandum, expense exhibits, or other rate justification documents under the Supporting Documentation tab. (See below.)</p>	<p>Confirm <input type="checkbox"/></p> <p>Yes N/A</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> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Check Answer or enter page & paragraph
Filing submission	OAR 836-010-0011 As required on SERFF or our Web site	<p>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.</p> <ol style="list-style-type: none"> 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. A Third-party filer's letter of authorization if applicable. 3. A signed Certificate of Compliance, form 440-3894. 4. The completed copy of this checklist. 5. A comparison document (annotated, highlighted, red-lined, or side-by-side) must be provided for each previously approved form. 6. An Actuarial Memorandum with an overview of the contents of the filing and the reasons and procedures used to support the rate change. 7. Attach all applicable approved amendments that will bring the filed forms into compliance with Oregon law. <p>State Specific Tab Please make sure the answer to each question applies to the current filing.</p> <p>Companies and Contacts Please provide up to date filer's information. Include a toll-free (if available) telephone number for the filer.</p> <p>Filing Fees Oregon does not charge filing fees per submission.</p>	<p>Yes N/A</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> <p><input type="checkbox"/> <input type="checkbox"/></p> <p>Confirm <input type="checkbox"/></p> <p>Confirm <input type="checkbox"/></p>
Review	ORS 742.003(1), ORS 737.205	<p>Included in this filing for review:</p> <ol style="list-style-type: none"> 1. New policy or program. 2. Endorsements. 3. Rates and rules. 4. Application form. 	<p>Yes N/A</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>
Requirements	ORS 742.048(2)	No policy has been issued or will be issued upon the forms in this filing until approved. Rates may be used only after receipt by the Division.	<p>Yes N/A</p> <p><input type="checkbox"/> <input type="checkbox"/></p>
Limitations/ restrictions on transacting business	ORS 742.392	Termination notice must be delivered to the Department of Consumer and Business Services at least 30 days prior to the termination date.	

FORMS			
Review requirements	Reference	Description of review standards requirements	Check Answer or enter page & paragraph
Application	ORS 742.013, ORS 742.016, Bulletin INS 2010-3	<p>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.</p> <p>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.</p>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Arbitration	ORS 36.600- ORS 36.740	<p>Voluntary arbitration is permitted by the Oregon Constitution and statutes. See additional details below:</p> <ul style="list-style-type: none"> • Either party may elect arbitration at the time of the dispute (after the claimant has exhausted all internal appeals if applicable); • Unless there is mutual agreement to use an arbitration process, the decision will only be binding on the party that demanded arbitration; • Arbitration will take place in the insured's county or at another agreed upon location; • Arbitration will take place according to Oregon law, unless Oregon law conflicts with Federal Code. • The process may not restrict the injured party's access to other court proceedings; <p>Restricting participation in a class action suit is permissible.</p>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Bankruptcy	ORS 742.031	The policy includes a bankruptcy provision similar to that in ORS 742.031.	Confirm <input type="checkbox"/>
Cancellation & nonrenewal	ORS 742.392	Termination provision under the policy will not affect duties of the insurer for contracts issued before the effective date of termination.	
	ORS 742.392	The policy provides for the termination notice to be mailed to the Director of the Department of Consumer and Business Services (DCBS) at least 30 days' prior to the termination effective date. Since ORS 742.392 requires a 30 day notice of cancellation, please consider also providing a 30 day notice of cancellation to the named insured.	Confirm <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check Answer	
Cancellation and nonrenewal (continued)	ORS 742.702, ORS 742.708, OAR 836-085-0010	<p>A policy in effect for 60 or more days may be canceled prior to policy expiration only for specified reasons:</p> <ul style="list-style-type: none"> (a) Nonpayment of premium. (b) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy. (c) Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision. (d) Failure to comply with reasonable loss-control recommendations. (e) Substantial breach of contractual duties, conditions, or warranties. (f) Determination that the continuation of a line of insurance or class of business will jeopardize a company's solvency, or will place the insurer in violation of the insurance laws of Oregon or any other state. (g) Loss or decrease in reinsurance covering the risk. (h) Any other reason approved by the Director by rule. <p>A minimum 10 working day notice to the policyholder is required. However, as stated previously, please consider providing a 30 day notice to the insured and the Director of DCBS.</p>	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 742.706(1), OAR 836-085-0025	If an insurer offers to renew on terms less favorable or at higher rates, the new terms or rates may take effect on the renewal date with 45 days' written notice. If the insurer does not provide such notice, the insured may cancel the renewal policy within 45 days. Earned premium for the period during which the renewal policy was in force shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, changes shall be effective immediately following the prior policy's expiration date. This notice is required even when the policy is continuous until cancelled.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 742.706(2)	Nonrenewal is not effective until at least 45 days after the insured receives a written notice of nonrenewal. If, after an insurer provides a notice of nonrenewal as described in this statute, the insurer extends the policy 90 days or less, an additional notice of nonrenewal is not required with respect to the extension. This notice is required even when the policy is continuous until cancelled.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 742.706(4), OAR 836-085-0015	If the policy is issued for a term longer than one year, and for additional consideration the premium is guaranteed for the term of that policy and the insurer may not refuse to renew the policy or increase the premium.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check Answer or confirm
Cancellation and nonrenewal (continued)	ORS 742.708	A post-office certificate of mailing to the named insured at the last-known address shall constitute conclusive proof that the named insured received the notice of cancellation or nonrenewal on the third calendar day after the date of the certificate of mailing.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Discrimination	ORS 746.015	The policy does not unfairly discriminate in availability of insurance, application or rates, dividends, or other benefits or terms and conditions of insurance policies.	Confirm <input type="checkbox"/>
Fraud	ORS 742.013, ORS 742.016, Bulletin INS 2010-3	If the policy has fraud, concealment, misrepresentation language, then the application is required to include a fraud warning. If one is included, it must be 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.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Fraud Continued	ORS 742.013, ORS 742.016, Bulletin INS 2010-3	To deny or cancel coverage due to the insured's (or on behalf of the insured) misrepresentations, omissions, concealments of fact, or incorrect statements; the written application must be indorsed upon (or included by reference in the policy), or attached to the policy when issued. This includes any written or electronic Application form, supplemental application, and/or questionnaire. If other media is used to obtain information regarding the applicant that could be used to later cancel a policy or deny a claim, this must be disclosed to the applicant. The insurer must show the misrepresentations, omissions, concealments of fact, or incorrect statements are material. The insurer must also show they have relied upon them, and that they are either: A. Fraudulent or; B. Material either to the acceptance of the risk or to the hazard assumed. Insurers should review bulletin INS 2010-3 and the Insurance Code to determine whether their statements comply.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Legibility of forms	ORS 742.005(2)	The forms are clear and understandable in the presentation of premiums, labels, content description, 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.	Confirm <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check Answer or confirm	
Limits	ORS 742.023	Limits of coverage are clearly described.	Confirm	<input type="checkbox"/>
Loss settlement	ORS 742.053	The policy states that the insurer will furnish a claim form after notice of claim or will accept the filing of proof-of-loss covering the occurrence, character, and extent of loss.	Confirm	<input type="checkbox"/>
Misrepresentations/ Misstatements	ORS 742.013	A provision in the policy, or the application, makes it clear that statements made by the insured, 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, and at the address of the named insured, unless a binder states otherwise.	Confirm	<input type="checkbox"/>
Primary coverage	ORS 742.390, ORS 646A.152	Terms used in describing the coverage are clearly defined. The policy describes the conditions and provisions pertaining to the coverage, amount, terms, exceptions, limitations, and exclusions.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 742.390, OAR 836-200-0040(2)	For the purpose of payment under a reimbursement insurance policy, an obligor/warrantor fails to perform under the service contract/vehicle protection warranty when the party fails to perform as agreed by a date that is not later than the 60 th day after the date of the demand for performance or by a date specified in the contract/warranty for performance, whichever date is earlier.	Confirm	<input type="checkbox"/>
	ORS 742.390, OAR 836-200-0040(2)	The policy provisions state that the insurer shall perform the legal obligations of the obligor when the obligor has failed to do so. This includes paying any outstanding sums, providing the required service, or paying claims for the unearned-service-contract purchase price. (The rule contains an example of acceptable wording.)	Confirm	<input type="checkbox"/>
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.)	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS			Yes	N/A
Filing submission	ORS 737.205	Copies of rates, rating plans, and rating systems are included in the filing.	<input type="checkbox"/>	<input type="checkbox"/>
		Effective date is not earlier than the date the filing is received by the Division of Financial Regulation.	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>
Fictitious groups	ORS 737.600	If filing a fictitious group for rate purposes, the group meets the requirements of ORS 737.600 for mass-marketing plans.	<input type="checkbox"/>	<input type="checkbox"/>
Schedule rating	ORS 737.205	Schedule rating plans must be filed prior to use. The schedule plan (IRPM) must outline the criteria used, and the applicable minimum and maximum modification that applies to each area being considered.	<input type="checkbox"/>	<input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check Answer	
			Yes	N/A
Ratemaking generally				
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.)	<input type="checkbox"/>	<input type="checkbox"/>
Credibility	ORS 737.310, OAR 836-010-0021	1. Provide all data used and judgments made.	<input type="checkbox"/>	<input type="checkbox"/>
		2. Provide description of methodology used.	<input type="checkbox"/>	<input type="checkbox"/>
Fees, service charges, taxes	ORS 737.310, OAR 836-010-0021	Provide cost-accounting justification on initial filings and subsequent changes.	<input type="checkbox"/>	<input type="checkbox"/>
Loss valuation	ORS 737.310, OAR 836-010-0021	Provide premium data.	<input type="checkbox"/>	<input type="checkbox"/>
		Provide loss and LAE data.	<input type="checkbox"/>	<input type="checkbox"/>
		Provide expected loss ratio.	<input type="checkbox"/>	<input type="checkbox"/>
Investment income	ORS 737.310, OAR 836-010-0021	1. Cash flow method <i>or</i>	<input type="checkbox"/>	<input type="checkbox"/>
		2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium.	<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"/>	<input type="checkbox"/>
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	<input type="checkbox"/>	<input type="checkbox"/>
		3. Oregon data for taxes, licenses, and fees.	<input type="checkbox"/>	<input type="checkbox"/>