

Department of Consumer & Business Services
Oregon Division of Financial Regulation – 5

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**STANDARDS FOR INVOLUNTARY UNEMPLOYMENT
& FAMILY EMERGENCY LEAVE FORMS AND RATES**

This checklist must be submitted with your filing in compliance with OAR 836-010-0011(2). This list includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. The standards are summaries and review of the entire statute or rule may be necessary. Complete each item to confirm that diligent consideration has been given to each and is certified by the signature on the certificate of compliance form. “Not applicable” can be used only if the item does not apply to the coverage being filed. Any line left blank will cause this filing to be considered incomplete. Not including required information or policy provisions may result in disapproval of the filing. *(If submitting your filings electronically, bookmark the provision(s) in the form(s) that satisfy the requirement and identify the page/paragraph on this form.)*

This checklist is NOT APPLICABLE to the following:

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

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

Gap, collateral protection, and residual value; see specific standards, use [Form 440-3616](#).

Credit property, use [Form 440-3625c](#).

Credit life and/or disability; use [Form 440-2443](#).

Insurer name: _____

Date: _____

Market:

Personal lines

TOI (type of insurance) code:

28.0000 Credit Property (131)

Sub-TOI code:

28.0004 Credit Family Leave

28.0006 Other credit policies (identify _____)

Other coverages identified as part of a package: (see packaged coverages under company practices)

Credit property approval date

Credit life and/or health insuring company

approval date

Note: Basic requirements for coverages associated with indebtedness and defining standards under ORS 742.023 and ORS 742.005(2) for this coverage are adopted from the NAIC model and standards established for credit life and health (reference in parentheses).

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)
GENERAL REQUIREMENTS FOR ALL FILINGS			
Product Locator		Were the forms in your filing developed with the NAIC Product Locator, Oregon information? <i>(The requirements on this document are substantially the same as those on the Product Locator for consistency in drafting and meeting these filing requirements.)</i>	Yes No <input type="checkbox"/> <input type="checkbox"/>
Filing submission	OAR 836-010-0011 As required on SERFF or our Web site	Required forms are located on SERFF or on our Web site at: http://dfr.oregon.gov/rates-forms/pc/Pages/pc.aspx These must be submitted for your filing to be accepted as complete: 1. Transmittal form. (paper filings only) 2. Cover letter. (See transmittal form for instructions.) 3. Third-party filer's letter of authorization. 4. Certificate of compliance form . 5. Product standards (this document) 6. Rates, rules and actuarial memorandum with an overview of the contents of the filing, and the reasons and procedures used to derive the rate change. 7. Forms filed for approval. 8. For mail filings, two self-addressed stamped envelopes, one in which the division can return approved forms.	Yes No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	ORS 742.041	When involuntary unemployment or family emergency leave is bundled with credit property, credit life, or credit disability, the coverages are filed in a separate policy. (Only the application and declaration page can be combined and it must clearly identify the separate insurers and separate coverages.)	Yes No <input type="checkbox"/> <input type="checkbox"/>
Review	ORS 742.003(1) & ORS 737.205	Included in this filing for review: 1. New policy or program. 2. Endorsements amending an existing program that include additional coverages in these standards. 3. Certificate of insurance, if group. 4. Rates and rules only.	Yes No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Applicability	ORS 742.003(1)	No policy has been issued or will be issued upon the forms in this filing until approved.	Yes No <input type="checkbox"/> <input type="checkbox"/>
	ORS 746.215(e) OAR 836-071-0274	No additional charges are added to the coverage premium to cover handling the insurance or substituting the insurance of one insurer for another. Agents are not allowed to charge a service fee.	Yes No <input type="checkbox"/> <input type="checkbox"/>

Limitations/ Restrictions on transacting business	ORS 746215 (a) & 746.195(a) NAIC Model Act*	Purchase of credit insurance is optional and not a condition of obtaining credit approval from a depository institution. The insurance is not solicited until after the lending institution agrees to make the loan.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act* & Section 106 of the Truth in Lending Act (15 U.S.C.)	A prominent written disclosure is provided to the borrower that includes the following: <ol style="list-style-type: none"> 1. That insurance related to a loan may be purchased from an insurer of the borrower's choice. The lender may not unreasonably deny the borrower's choice. 2. That if the consumer has other insurance that covers the risk, he or she may not want or need credit personal property insurance. 3. A brief description of the coverage, including a description of the major perils and exclusions, any deductible, to whom the benefits would be paid, and the premium for the coverage. 	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.018	Coverages filed as an individual policy or group certificate of insurance issued on an out-of-state group policy are the approved coverage and binding agreement within Oregon.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.046	The insured receives a copy of the policy or certificate when the loan is accepted, or a summary and the policy/certificate is sent in a reasonable time.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

FORMS

Application	ORS 742.003(1)	The application is filed for approval as part of the entire contract as required under ORS 742.003(1) and does not conflict with laws relating to the coverage.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	OAR 836-060-0055	The application must include a line for signed acceptance by the applicant before premiums can be automatically deducted from the debtor's account.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	When credit products are bundled into one package, each credit coverage must be disclosed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Age limitation - Eligibility may include an age requirement of younger than age 66 and insurance may terminate upon attainment by the debtor of age 66.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Eligibility may restrict coverage from self-employed individuals and workers in seasonal or temporary jobs of less than six consecutive months.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Requirement of full-time employment on the effective date of coverage cannot include an employment requirement longer than 12 consecutive months prior to the effective date.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Eligibility may restrict coverage for debtors who have been notified either orally or in writing of any layoff or employment termination within the next 60 days when a disclosure is given to the prospective insured.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Applications, continued	Bulletin 98-5	<u>Fraud warning</u> - The application is not 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.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 746.620 and 746.630	Privacy - Policy practices and disclosure authorization are provided on the application and includes the duration of validity. (If authorization and these disclosures are secured on another form, state in the cover letter how they are provided.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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, unless the parties agree to binding arbitration.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Arbitration	ORS 36.600-36.740	The policy provides for arbitration if claim settlement cannot be reached. The parties may elect arbitration by mutual agreement at the time of the dispute after the claimant has exhausted all internal appeals and can be binding by consent of the insured person. (<i>If the policy provides for arbitration when claim settlement cannot be reached and the policy owner elects arbitration, arbitration takes place under the laws of Oregon held in the insured’s county or any other county in this state agreed upon.</i>)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Bankruptcy	ORS 742.031	The policy includes a bankruptcy provision similar to that in ORS 742.031.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cancellation and nonrenewal	ORS 742.023 and OAR 836-060-0011(6)	If the policy provides for renewing the coverage or cancellation, fair notice must be provided. 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. Eligible benefits being paid under a claim cannot be terminated if the master policy is terminated.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	If the coverage requires evidence of insurability for the extension of credit insurance, the debtor may offer evidence of alternative insurance acceptable to the creditor at the time of cancellation.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Discrimination	NAIC Model Act*	The claims provision does not designate the creditor as the claims representative for the insurer in adjusting claims.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Exclusions	NAIC Model Act*	Coverage for unemployment may only exclude (1) voluntary forfeiture of salary, wage or other employment income, (2) resignation, (3) retirement, (4) general strike, (5) illegal walk out, (6) war, (7) separation from the military, (8) willful misconduct or criminal misconduct or unlawful behavior, or (9) disability caused by injury, sickness, or pregnancy.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Fees, service charges, taxes	OAR 836-071-0269 & 0274 and ORS 731.808	All charges to the policyholder are listed on the declarations page. (Field add-ons are not permitted.) Service Fees are not allowed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Legibility of forms	ORS 742.005(2)	The forms are clear and understandable in the presentation of premiums, labels, description 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 unintelligible, uncertain, ambiguous, abstruse, or likely to mislead.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Limits	ORS 742.005(2) & NAIC Model Act*	If the term of coverage is less than the credit transaction, a statement to that effect is included on the face of the debtor's form in not less than 12-point boldface type.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.005(2) & OAR 836-060-0031(2)(c)	Benefits may not be payable for the period before registering for unemployment benefits, if the registration did not occur within the specified time period.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Family emergency leave may have a pre-existing condition exclusion for conditions that were diagnosed six months prior to the coverage and manifested within six months after coverage begins.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Loss settlement	ORS 742.053	The policy states that the insurer will furnish a claim form within a reasonable amount of time after notice of claim or will accept the filing of proof-of-loss covering the occurrence, character, and extent of loss.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.053 (2)	The policy may require proof of loss within 90 days or as soon as reasonably possible.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Eligibility for claim cannot require minimum payment under the account for the first thirty (30) days of claim; however, the benefit may deduct past-due amounts and late charges associated with the loan.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Provision includes a statement that the benefits are paid to the creditor to reduce or extinguish the unpaid debt, and when the amount of loss payment exceeds the unpaid debt, any excess payment is paid to the debtor.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act*	Proof-of-loss requirements are specific to salary or wages and cannot be reduced by other benefits or compensation.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Policy period	ORS 742.048 & ORS 742.023	The insurance commences on the date the debtor becomes obligated to the creditor. The policy states that coverage commences at 12:01 a.m. on the policy's effective date.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	NAIC Model Act *	Coverage does not extend beyond the discharge of the indebtedness to which the coverage relates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Premium payment, refund, or retention	ORS 742.023(1)(e)	Premium for each coverage is disclosed separately and stated as per \$100 of the monthly balance covered or, if single premium, the premium calculated for the covered amount. On bundled schedules, each coverage is listed separately.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.023 & the NAIC Model Act*	The policy clearly defines the cancellation refund method. Refunds must be made within 30 days.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Policy documentation	ORS 742.018	The certificate issued on an out-of-state group includes the certificate as part of the entire contract provision as the approved coverage and binding agreement within Oregon.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	NAIC Model Act*	Within the first 30 days after receiving the individual policy or certificate of insurance, the debtor may cancel the coverage and have all premium paid by the debtor refunded or credited.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	ORS 742.018 & ORS 742.003(1) NAIC Model Act*	Terms used in describing the coverage are clearly defined. Provisions include a full description of the coverage including the amount, term, exceptions, limitations, and exclusions.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Primary coverage	ORS 742.023(1)(e) and (2)	Schedule must disclose the amount of indebtedness covered as being the balance to which the premium rate is applied, not the outstanding revolving account balance.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	NAIC Model Act*	Coverage is defined as paying a number of monthly payments on a specific loan or revolving credit account if the borrower qualifies for the benefit defined in the policy during the term of coverage.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	NAIC Model Act*	Benefits start after a waiting period of not longer than 30 days, but need not be retroactive to the first day of unemployment. The maximum benefit period for unemployment coverage is not less than six months.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Rebates	ORS 746.035 and 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"/>	No <input type="checkbox"/>	
Titles & headings	ORS 742.005(2)	The forms are clearly titled and headings for benefits include references to any limitations and restrictions contained in the provision.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS					
Filing submission	ORS 737.205	Copies of rates, rating plans, and rating systems are included in the filing.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		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"/>	
Fictitious group	ORS 737.600, OAR 836-042-0300 to 0322	If filing a fictitious group for rate purposes, the group meets the requirements of ORS 737.600(3)(b) for mass-marketing plans.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <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 the application of rates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Loss ratio standards	Position based on NAIC Model Act* & OAR 836-010-0021	Rates filing shall include the appropriate rate formula upon which its rates are based. A provision for an anticipated minimum 60 percent loss ratio shall be presumed as reasonable. Anticipated losses may include an amount for fluctuation in loss due to catastrophe based on the experience of at least the latest nine policy years or as long as the company has been writing this line of business. .	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Ratemaking generally	ORS 737.310, OAR 836-010-0021	Provide all data used and judgments made.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Provide a description of methodology used.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 737.205 & OAR 836-071-0269	Rates are filed as they are actually charged to the consumer, to include all expenses and fees. Field add-ons to the rates are not permitted.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 737.310	If filing commission levels higher than 20 percent, details are provided that explain which company-administration functions have been transferred to agent to cause an increase in commissions.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Fees, service charges, taxes	ORS 737.310, OAR 836-010-0021	Provide the cost-accounting justification on initial filings and subsequent changes	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Loss valuation	ORS 737.310, OAR 836-010-0021	Provide the following: 1. Premium data. 2. Loss and LAE data. 3. Expected loss ratio	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		1. Provide earned exposure and earned exposure at present rates for each coverage or for combined coverages. 2. Include a rate-level history.	<input type="checkbox"/>	<input type="checkbox"/>
Investment income	ORS 737.310, OAR 836-010-0021	1. Provide the cash flow method OR 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"/>
Rebates	ORS 746.035 and 746.045	Are inducements or rebates specified in the policy? (If “yes,” explain in the cover letter and identify the location in the rule.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Schedule rating	ORS 737.205	Schedule rating plan identifies the credit or debit modification criteria and the maximum plan modification and must be filed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Trending	ORS 737.310, OAR 836-010-0021	1. Provide all internal loss-trend data or external-industry loss trend data used.	<input type="checkbox"/>	<input type="checkbox"/>
		2. Include separate determinations of loss severity and frequency trends.	<input type="checkbox"/>	<input type="checkbox"/>
		3. Include the calculation of annual trend factors, including statistical results.	<input type="checkbox"/>	<input type="checkbox"/>
		4. Provide all data used and judgments made.	<input type="checkbox"/>	<input type="checkbox"/>
		5. Provide a description of methodology used.	<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"/>
		4. Expense trend.	<input type="checkbox"/>	<input type="checkbox"/>
		5. Historic experience.	<input type="checkbox"/>	<input type="checkbox"/>

* Credit Personal Property Insurance Model Act