

August 20, 2025

Sent via email:

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Thank you for giving Oregon Consumer Justice (OCJ) the opportunity to provide feedback on the draft rule related to the implementation of HB 2563 (2025) and notices to consumers about insurance premium increases discussed at the August 7, 2025 Rules Advisory Committee (RAC) meeting.

As the conversation unfolded at the RAC meeting, it sounded as though people were conflating some of what was in the introduced bill with what was under consideration, rather than focusing on the implementation of the engrossed version of HB 2563. As consumer advocates, OCJ believes that the bill, as introduced, with insurance companies required to send explanatory notices whenever premiums increased more than 10% would have provided stronger consumer protections. However, that is not what the legislature enacted.

Given the changes incorporated into the final bill that focus on responses to requests from policyholders and data collection, we have the following feedback:

1. Section 1: Statutory Authority; Purpose

Every written request from a policyholder asking about premium increases needs to receive a response.

- a. There is no threshold percentage increase that triggers the need to respond, and that distinction did not seem clear during the discussion at the RAC meeting. Section 1 (3) clearly states that requirement.
- b. There were questions from RAC members about what should happen when the written request triggers a review that finds there was an error in the premium charged, and in those cases where there was an error, whether a response is required if there are other processes to rectify the error. In those cases with actual errors, OCJ believes that it is still important to provide a clear, direct, and transparent response to the policyholder, in addition to rectifying the error.

2. Section 2: Definitions

OCJ suggests that there needs to be greater clarity around the definition of when a rating factor "most significantly contributes" and is not sure that the 2% of the current policy premium is necessarily the right threshold. We urge more consideration and conversation about how to define this term.

3. Section 3: Premium change notice contents

OCJ supports the inclusion of the note at the bottom of the draft form as an opportunity to educate consumers about how future actions could impact their costs. However, we are open to reviewing other options and look forward to seeing the suggestions from other RAC members. We also want to flag that the draft form refers to the top four factors, but there may be situations where there are fewer than four factors, so just ask if that needs to be made clear.

4. Section 4: Periodic data reporting

- a. See #1 for comments about when an error is identified based on a request and the need for a response. In addition, we think that this is an important data point to track.
- b. As consumer advocates, we are very supportive of data collection about consumers experiences. However, the data is only as good as the system that is collecting it, which includes barriers that might exist for consumers to access that system. If after sometime the data shows that a small number of consumers are making requests of insurance companies for explanations of premium increases AND the Department of Consumer and Business Services (DCBS) is still receiving a high volume of calls with complaints about insurance rates, it will be important to look at all the data, and not just assume that consumers don't want the information.
- c. OCJ supports leaving DCBS some latitude on other data deemed necessary to report under this rule, as stated in 4(3)(c) of the proposed rule, to allow for some flexibility to refine data in subsequent reporting periods.

5. Section 5: Form and manner of written request

OCJ wants to ensure that insurance companies do not automatically reject requests if a policyholder does not initially supply all the data points being requested. The proposed rule identifies the following elements that are to be included in the written request:

- a. Policyholder Name
- b. Address
- c. Policy Type
- d. Policy Number

We understand the need for the name and policy number to access the record. However, there may be cases where the consumer misnames the policy type, perhaps using a different phrase than the company's name. We want to be sure that there is

some flexibility for consumers since the burden has already been placed on them to make the request.

I look forward to continued conversation at RAC meetings to ensure that the rules implementing HB 2563 are clear and easy both for consumers to understand and use and for insurance companies to provide meaningful information to policyholders about their premium increases.

Regards,
Angela Donley
State Policy Director