

Sent via email

August 21, 2025

TO: Scott Kluempke

Karen Winkle

The Oregon Consumer League appreciates the opportunity to provide comments on the draft rule related to the implementation of HB 2563 and notices to consumers about insurance premium increases as a follow-up to the August 7, 2025 Rules Advisory Committee (RAC) meeting.

The bill, as introduced, required insurance companies to send explanatory notices when premiums increased more than 10%. This bill would have provided stronger consumer protections, without shifting the burden to consumers to obtain premium increase transparency. We provide the following feedback related to the final bill that focuses on responses to requests from consumers and data collection:

#### Section 1: Statutory Authority: Purpose

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

- The RAC meeting discussion included references to threshold percentage increases and responses. Section 1 (3) clearly states that every written request from a policyholder requires a response.
- There were questions from RAC members about what should happen when the written request triggers a review that finds there was an error and whether a written response is required if the error is corrected or there are processes to address errors. It is important to provide consumers a clear, direct, and transparent response in cases where there are actual errors, in addition to correcting errors. One of the protections that this bill provides consumers is transparency when there are errors in assessing risk or other factors that result in increased insurance premiums.

#### Section 2: Definitions

The definition of when a rating factor "most significantly contributes" needs greater clarity. The RAC meeting included a discussion regarding a threshold of 2% of the current premium. The OCL suggests more analysis and discussion regarding defining this term.

#### Section 3: Premium change notice contents

There were industry comments during the RAC meeting regarding the language at the bottom of the notice alerting consumers how future actions could impact their insurance premiums. The OCL supports including this information in the notice to educate

consumers about how and why insurance premiums may increase in the future in addition to the recent premium increase that prompted the consumer to request reasons(s) for the increase. Also, the draft form refers to the top four factors, however there may be scenarios where there are less than four factors.

#### Section 4: Periodic data reporting

- When an error is identified based on a request, this is an important data point to track and we request that this data be consistently tracked.
- There was some discussion in the RAC meeting that few consumers will likely request the notice and reasons for premium increase. As noted above, the initial bill required premium increase factors to be proactively provided as part of the renewal process. We support data collection about consumer experiences, however the data is only as good as the system and processes collecting it. If insurers do not have robust complaint management or consumer contact tracking systems in place, the information provided will not inform the insurer or the Department of Consumer and Business Services of the barriers consumers face accessing premium increase information. If the data shows that a small number of consumers are making requests of insurers for explanations of premium increases (after a reasonable period of time tracking) and the Department of Consumer and Business Services 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.
- The Oregon Consumer league supports leaving DCBS latitude on other data deemed necessary to report under this rule as stated in 4(3)(c) of the proposed rule to allow for flexibility to refine data in subsequent reporting periods.

#### Section 5: Form and manner of written request

The OCL supports a process where minimum data is required from the consumer in order to make a written request. If a consumer does not provide the minimum data, the consumer should be notified regarding the information that is required to access the record. Additionally, one of the data points to be included in the written request is policy type. There may be cases where the consumer mis-names the policy type and uses a different policy type reference. We request flexibility for consumers as the burden has been placed on consumers to have to make a written request and the notice is not automatically provided as supported in the initial version of HB 2563.

The OCL looks forward to working together to ensure that the rules implementing HB 2563 provide consumers a simple process to request a clear and reasonable written explanation for any increase in the amount of premium the consumer must pay upon policy renewal.

Regards,

*Michelle Druce*

*Executive Director*

*Oregon Consumer League*