

**Oregon Department of Consumer and Business Services
Division of Financial Regulation, Bulletin No. DFR 2020-18**

TO: All property and casualty insurers

DATE: Sept. 25, 2020

RE: Expediting claims handling and other expectations related to wildfires

Purpose

The purpose of this bulletin is to clarify the division's expectations for property and casualty insurers and provide guidance on expediting claims handling for Oregon insureds affected by wildfires.

Authority

- Executive Order 20-35
- ORS 731.870

Background

On Aug. 20, 2020, Oregon Gov. Kate Brown signed Executive Order 20-35, which declared a state of emergency due to critical fire danger throughout Oregon under ORS 401.165.¹

Since then, wildfire disasters in Oregon resulted in the loss of life and property, created imminent health and safety risks, and caused widespread disruption to the normal course of business in many areas across the state.

On Sept. 18, 2020, the director of the Department of Consumer and Business Services issued the Wildfire Emergency Order to all admitted insurers in Oregon to provide relief to insureds in specified wildfire Affected Areas.² This emergency order directed immediate actions for all insurers to take for reporting requirements for claims, grace periods for payment of insurance premiums and other duties by insureds, and temporary postponement of cancellations and nonrenewals.

The Division of Financial Regulation is providing the following guidance to all property and casualty insurers on reasonable measures that should be used to provide relief to Oregonians affected by wildfires.

¹ See Oregon Gov. Kate Brown's Executive Order declaring a state of emergency (EO No. 20-35), issued Aug. 20, 2020. EO 20-35: https://www.oregon.gov/gov/Documents/executive_orders/eo_20-35.pdf

² Department of Consumer and Business Services, Wildfire Emergency Order, issued Sept. 18, 2020 can be found at <https://dfr.oregon.gov/insure/home/storm/Documents/wildfire-emergency-order-20200918.pdf>. The accompanying bulletin on Affected Areas subject to the Wildfire Emergency Order can be found at <https://dfr.oregon.gov/laws-rules/Documents/Bulletins/bulletin2020-16.pdf>.

Guidance

The division encourages all property and casualty insurers to take the following active measures to help people and businesses affected by the wildfires:

- **Advance payments of loss of use, fair rental value, or additional living expenses (ALE) benefits**

An advance payment of ALE recognizes the immediate need for financial support after a wildfire disaster. Policyholders are in need of access to ALE benefits to cover emergency lodging, food, and other necessities as a result of wildfire damage making a home uninhabitable or inaccessible.

Insurers should adopt a standard ALE advance payment of at least four months for insureds experiencing a total loss or whose property is uninhabitable. Insurers should take into account any adverse circumstances that may require maintaining ALE benefits for policyholders whose property remains inaccessible due to damage caused by the wildfires once evacuation orders have been lifted.

Additionally in areas where access to property is restricted, insurance companies should not terminate ALE benefits until the property is accessible and deemed habitable.

- **Expedite automobile property damage claims**

Automobile insurers should expedite payment of automobile property damage claims under comprehensive coverage, upon satisfaction of proof. Insurers should provide relief to policyholders through rental vehicle benefits or other benefits within the policy for insureds who are unable to access their property or provide proper documentation for verification due to wildfires.

- **Inventory forms and itemization of certain types of property**

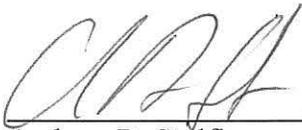
Insurers should allow and accept any inventory form that contains similar information to what would be reported using a company-specific form. Insurers are allowed to request more information from the policyholder upon receipt of the inventory form.

Insurers should agree to accept an inventory form that includes groupings of categories of personal and commercial property, including, but not limited to, clothing, shoes, books, food items, business supplies, livestock supplies, or other categories of items that would be impractical to list each individual item separately.

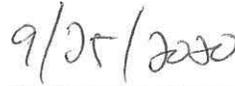
- **Expedite payments for business interruption claims**

Insurers should expedite payment of business interruption claims related to wildfires upon satisfaction of proof that the business suffered a total loss or is inaccessible.

This bulletin takes effect immediately. It remains in effect until amended by another bulletin from the division.



Andrew R. Stolfi
Insurance Commissioner and Director
Department of Consumer and Business Services



Date