

Oregon Department of Consumer and Business Services Division of Financial Regulation, Bulletin No. DFR 2024-5

To: Insurance producers selling homeowners policies

Date: April 29, 2024

RE: Expectations of insurance producers regarding homeowners insurance underwriting and rating decisions

I. Purpose

The purpose of this bulletin is to remind insurance producers about the division's expectation to provide truthful communications to policyholders.

II. Authority

- ORS 744.074
- ORS 746.110

III. Director's Guidance

The Oregon Insurance Code prohibits any person from making untrue, deceptive, or misleading statements or representations relating to the business of insurance.¹

According to recent consumer complaints and media reports, some insurance producers may have provided misleading information to policyholders. Examples include:

- Stating that insurers are not writing new policies for properties within specific ZIP codes, counties, or cities, when in fact carriers are not excluding specific localities; and
- Stating that insurers are not evaluating neighborhoods or individual homes when determining risk and eligibility for insurance, when in fact carriers are making those evaluations.

¹ Under ORS 746.110, no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of the insurance business, which is untrue, deceptive or misleading.

This inaccurate information may have led to misunderstanding among policyholders and the general public. The Oregon Insurance Code requires that any insurance-related information being conveyed is accurate. If a producer is unsure about these issues, it is recommended they confirm the information with the carriers they represent. Insurers have been directed to provide producers with timely and accurate information about their decisions. See Bulletin No. DFR 2024-6.

It is extremely important consumers receive accurate information about decisions made with respect to their policies. The insurance industry has robust data tools used to make pricing and underwriting decisions that have been in the marketplace for years.

Falsely attributing rating or underwriting decisions is a violation of the Oregon Insurance Code. Insurance producers with questions about the tools and maps used by insurance companies should consult with those companies so that they can accurately relay the factors incorporated into the company's rating and underwriting decisions.

This bulletin takes effect upon publication.



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

04/29/2024

Date