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PERMANENT ADMINISTRATIVE ORDER

ID 1-2021

CHAPTER 836
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE REGULATION

FILED

01/21/2021 3:20 PM
ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Wind down of emergency order prohibiting nonrenewals of insurance policies

EFFECTIVE DATE: 01/22/2021

AGENCY APPROVED DATE: 01/21/2021

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RULES:

836-054-0400, 836-054-0410

ADOPT: 836-054-0400

REPEAL: Temporary 836-054-0400 from ID 5-2020

NOTICE FILED DATE: 11/24/2020

RULE SUMMARY: Adopts the expiration of an emergency order as a legitimate reason to cancel a commercial liability policy under ORS 742.702.

CHANGES TO RULE:

836-054-0400

Purpose and Scope of OAR 836-054-0410

The purpose of OAR 836-054-0400 to 836-054-0410 is to wind down an emergency order by the director of the Department of Consumer and Business Services. Under ORS 731.870, the director may order the temporary postponement of insurance policy nonrenewals. This rule provides that expiration of an emergency order is a valid reason to cancel a commercial liability policy under ORS 742.702 if the emergency order was the sole reason the policy was renewed.

Statutory/Other Authority: ORS 731.244, ORS 742.702

Statutes/Other Implemented: ORS 742.702, ORS 731.870

ADOPT: 836-054-0410

REPEAL: Temporary 836-054-0410 from ID 5-2020

NOTICE FILED DATE: 11/24/2020

RULE SUMMARY: Explains when an insurer may cancel a commercial liability policy.

CHANGES TO RULE:

836-054-0410

Cancellations

An insurer may cancel a commercial liability policy if:

- (1) The insurer was required to renew the policy by an emergency order issued by the director;
- (2) The cancellation is not due to claims resulting solely from the circumstances on which the emergency order was based, except in cases of fraud or material misrepresentation;
- (3) The insurer has provided 45 days written notice to the insured and insurance producer, if any; and
- (4) The cancellation does not violate any other law or order by the director.

Statutory/Other Authority: ORS 731.244, ORS 742.702

Statutes/Other Implemented: ORS 742.702, ORS 731.870