



Hearing Officer's Report to Agency on Rulemaking Hearing

Date: 3/9/2026

To: Department of Consumer and Business Services

From: Scott Kluempke, Hearing Officer

Subject: Rulemaking to implement insurance premium increase notices pursuant to ORS 742.075 - [HB 2563 (2025)]

Hearing Date/Time: February 24, 2026
Hearing Location: Hybrid hearing conducted in-person at Labor and Industries Building and virtually on Microsoft Teams.
Comment Period End: March 3, 2026

Background

ORS 742.075 requires insurers to give a clear and reasonable written explanation for any increase in the amount of premium the insured must pay upon renewing a personal auto, home, or dwelling policy when a written request from an insured is received.

There are several portions of the new law that require rulemaking for the purpose of clarification. The operative date of ORS 742.075 is September 1, 2026. The proposed rules OAR 836-054-0110 to 836-054-0130 are adopted pursuant to the general rulemaking authority of the director of the Department of Consumer and Business Services (DCBS) in ORS 731.244 and the specific authority in ORS 742.075, for the purpose of implementing the new law.

Rulemaking is needed to implement ORS 742.075 to further clarify the following provisions and ensure uniform expectations across the industry:

1. Defining when a factor significantly contributes to a premium increase.
2. Prescribing the form, format, and contents of the written explanation.
3. Requiring periodic data reporting from insurers to evaluate the impact of the required notices.
4. Clarifying the form and manner of the written request that an insurer must respond to.

Hearing

A public hearing was held at 1:00 p.m. Pacific time, February 24, 2026. The meeting was held virtually through Microsoft Teams. In attendance were myself, Brooke Hall, John Haworth, and Karen Winkel from the DFR; Kenton Brine from the Northwest Insurance Council; Lourdes Amabeli from Geico; Michelle Edgerly from Kemper; and Michael Jurgens from Progressive.

Summary of Testimony

Kenton Brine from the Northwest Insurance Council provided verbal testimony to reiterate comments previously expressed through the Rulemaking Advisory Committee process. The first comment related to the 2% threshold to be considered a significant contribution as defined by OAR 836-054-0115(3). He noted the trades would like to see that threshold be higher such as 5% or 10%. Secondly, he voiced that rule OAR 836-054-0125(1)(a-c) (*Periodic data reporting*) was overly complicated language. The Policy team discussed this feedback throughout the RAC process and determined those rules should remain as written.

Public Comment Discussion

Mr. Brine's testimony regarding OAR 836-054-0115(3), and the request to change the threshold for when a factor "significantly contributes" to a premium increase from 2% to 5% or 10% was discussed within the DFR throughout the RAC process. We decided to keep the 2% threshold, as up to the top four factors require a written explanation. Four factors that are each 2% results in an overall premium increase of 8%, which we felt was appropriate. In contrast, if the threshold was, say, 5%, you could have four factors that individually make a 4% increase, or an overall premium increase of 16% and not have to provide a written explanation.

The division received written public comments from Miller Public Affairs, (representing the American Property & Casualty Insurance Association (APCIA), the National Association of Mutual Insurance Companies (NAMIC) and the Northwest Insurance Council (NWIC)) requesting that proposed OAR 836-054-0130(4) be amended to include consumer input through an insurer's web portal as an acceptable means to submit a written request for premium increase. The policy team agrees with the recommendation and OAR 836-054-0130 is amended to read as follows:

836-054-0130 Form and manner of written request

A written request for an explanation of a premium increase made pursuant to ORS 742.075 and OAR 836-054-0110 to 836-054-0130 must be made in the form and manner prescribed by this rule:

- (1) The request must include the insured's name, the insured's address, and the policy number and policy type of the policy for which the request is made.
- (2) The request must be printed, typewritten, or legibly handwritten.

(3) The request must clearly state the insured is requesting an explanation of why their policy premium is increasing at renewal.

(4) The request must be submitted by postal mail, email, hand delivery, or digitally through an insurer's portal, if available.

Statutory/Other Authority: ORS 731.244

Statutes/Other Implemented: ORS 742.075

It is important to note that the intent of this rule is to ensure that each of these forms of correspondence is accepted by the insurer. An insurer may not limit a consumer to a single form of correspondence in requesting the required explanation of premium increase.


Recommendation

Having considered fully the testimony presented at the hearing and the written comments, I recommend that the division adopt the rules as amended.

Scott Kluempke
Hearing Officer
Division of Financial Regulation

This Summary and Recommendation are reviewed and adopted.

Signed this 25th day of March, 2026.


TK Keen, Administrator
Insurance Commissioner
Division of Financial Regulation
Department of Consumer and Business Services