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PERMANENT ADMINISTRATIVE ORDER

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CHAPTER 836
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE REGULATION

FILED

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& LEGISLATIVE COUNSEL

FILING CAPTION: In the matter of clarifying notice requirements for midterm cancellations of package policies

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AMEND: 836-085-0055

NOTICE FILED DATE: 07/27/2022

RULE SUMMARY: Amend in order to clarify notice period requirements for commercial liability insurance policy cancellations as outlined within the published DFR product standards.

CHANGES TO RULE:

836-085-0055
Cancellation and Renewal of Commercial Package Policies ¶¶

(1) A commercial package policy that includes commercial liability insurance coverage is subject to ORS 742.702 (Grounds for cancellation) and ORS 742.706 (Renewal), governing the cancellation and renewal of commercial liability insurance policies. For purposes of this rule, "commercial liability insurance" has the meaning given that term in ORS 731.074 ("Commercial liability insurance").¶¶

(2) An insurer may cancel a commercial package policy that includes commercial liability insurance if:¶¶

(a) At least 10 working days prior written or electronic notice is given for non-payment of premium; or¶¶

(b) At least 30 days prior written or electronic notice is given for any other statutorily permitted reason.¶¶

(3) An insurer may nonrenew a commercial package policy that includes commercial liability insurance if at least 45 days prior written notice or electronic notice is given.¶¶

(4) Sections (2) and (3) do not apply to a commercial package policy subject to the exemptions set forth in ORS 742.710.¶¶

(5) OAR 836-058-0055 does not apply to a commercial package policy cancelled at the request of the insured.

Statutory/Other Authority: ORS 731.244, 742.702, 742.706, 742.710

Statutes/Other Implemented: ~~ORS 742.702~~