

Department of Consumer & Business Services  
**Oregon Division of Financial Regulation – 5**

P.O. Box 14480  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97309-0405  
Phone (503) 947-7983

**STANDARDS FOR CREDIT DEFAULT & CREDIT PERSONAL PROPERTY FORMS AND RATES**

This checklist (product standards) has been provided as an aid to assist you in preparing your filing. It does not need to be included with a paper submission, nor does it need to be attached in SERFF under the Supporting Documentation tab. However, the Reviewer may request this checklist (product standards) at any time during their review. ORS 731.296, OAR 836-010-0011 (2) & (3).

This checklist includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. **The standards are summaries. Review of the entire statute or rule will be necessary.** After diligent consideration has been given to each item, mark either the “Yes” or the “N/A” box. Compliance with these provisions must be certified by both the filer and an officer of the company signing the Certificate of Compliance form. These signatures certify the forms being submitted meet the requirements of our checklist and statutes. “Not applicable” can be used only if the item does not apply to the coverage being filed. If the reviewer requests the checklist (product standard), any line left blank may result in the delay or disapproval of the filing.

**This checklist is NOT APPLICABLE to the following:**

- For TOIs not listed, see our Web site for specific instruction at: <http://dfr.oregon.gov/rates-forms/pc/Pages/pc.aspx>.
- Filing of simple endorsements, title, declaration pages, or advertisements; see Web site for requirements.
- Insurance on motor homes and motor vehicles designed for highway use; see motor vehicle standards.
- Gap, collateral protection and residual value; see specific standards.

**Insurer name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**TOI (type of insurance):**       28.2      Credit Personal Property (131)       28.1      Credit - Default

**Sub-TOI:**                       28.2003      Credit Personal Property

**Type of coverage:**               Single interest                       Dual interest

Note: Basic requirements and defining standards for coverages associated with indebtedness are taken from ORS 742.023, ORS 742.005(2), and the *NAIC Credit Personal Property Insurance Model Act, 2001*.

Review requirements	Reference	Description of review standards requirements	Check answer
<b>GENERAL REQUIREMENTS FOR ALL FILINGS</b>			
Requirements	OAR 836-010-0011 As required on SERFF or our Web site	<p>Required filing requirements are located on SERFF or on our Web site at: <a href="http://dfr.oregon.gov/rates-forms/pc/Pages/pc.aspx">http://dfr.oregon.gov/rates-forms/pc/Pages/pc.aspx</a></p> <p>If filing via SERFF, the proper information must be attached to the correct schedule items in order for your forms filing to be considered complete. The clean copy of the submitted form must be attached under the Form Schedule tab. Each form filed for approval must be attached to a separate Schedule Item under this tab. Any edition/revision date used in the form number must be included under the Form Number column. It is not necessary to use the Edition Date column. The Form type column and the Action column must be completed. The Action Specific Data column must be completed correctly by providing the Oregon Filing Number of the previous filing, and the correct form number with the edition date of the form being replaced. Please do not file the same form for approval more than once.</p> <p>For Interline forms, please review the <b>Multiple submissions of the same form number</b> section on our Web site under Helpful Hints/General Filing tips. <a href="http://dfr.oregon.gov/rates-forms/Documents/general-filing-tips.pdf">http://dfr.oregon.gov/rates-forms/Documents/general-filing-tips.pdf</a></p> <p>Rates and rules should be submitted under the Rate and Rule tab. The Actuarial Memorandum should be submitted under the Supporting Documentation tab.</p> <p>Other filing requirements as listed below, or other documentation used to assist us in our review, should be submitted under the Supporting Documentation tab under the correct heading.</p> <p>If submitting a paper filing, please see #9 below.</p> <ol style="list-style-type: none"> <li>1. Transmittal form. (Required when submitting a paper filing only.)</li> <li>2. Filing Description under the General Information tab or a Cover letter or Filing Memorandum under the Supporting Documentation tab that explains the intent or purpose of the forms/rules/rates.</li> <li>3. Third-party filer's letter of authorization if applicable.</li> <li>4. Signed <a href="#">Certificate of Compliance, form 440-3894</a>.</li> </ol>	<p>Yes    N/A</p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p> <p><input type="checkbox"/>    <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Check Answer
Requirements	OAR 836-010-0011 As required on SERFF or our Web site	<p>5. For form submissions, a comparison document (annotated, highlighted, red-lined, or side-by-side) must be provided for each previously approved form. Submit document/s under the Supporting Documentation tab.</p> <p>6. Rates, rules, and actuarial memorandum with an overview of the contents of the filing and the reasons and procedures used to support the rate change.</p> <p>7. Attach forms being filed for approval to the Form Schedule tab.</p> <p>8. Attach previously approved Oregon Amendatory Endorsements which bring the submitted forms into compliance with Oregon statutes to the Supporting Documentation tab.</p> <p>9. When submitting a paper filing, send two complete sets of the entire filing. Include a self-addressed, stamped envelope that is large enough to return the second copy of the filing.</p> <p><b>NOTE:</b> This checklist does not need to be submitted with the filings. However, it may be requested by the reviewer. Please use this document as a tool to help you comply with our requirements.</p>	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>
	ORS 742.041	When credit personal property is bundled with involuntary unemployment, family emergency leave, credit life or credit disability, the property coverage is filed in a separate policy. Only the application and declaration page can be a combined form that clearly identifies the separate insurers and separate coverages.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
Policy documentation	ORS 742.003(1) ORS 737.205	<p>Included in this filing for review:</p> <p>1. New policy or program.</p> <p>2. Endorsements</p> <p>3. Certificate of insurance, if using a master policy.</p> <p>4. Rates and rules only.</p> <p>5. Application form</p>	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>
Requirements	ORS 742.003(1) ORS 737.205	No policy has been issued or will be issued upon the forms in this filing until approved. Rates may be used only after receipt by the Division.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>
	ORS 746.215(e), OAR 836-071-0267	No additional charges are added to the coverage premium to cover handling the insurance or substituting the insurance of one insurer for another. Agents are not allowed to charge a service fee on personal lines.	<p>Yes <input type="checkbox"/> N/A <input type="checkbox"/></p>

Review requirements	Reference	Description of review standards requirements	Check Answer	
Requirements	ORS 746.215 (a) ORS 746.195(a)	Purchase of credit insurance from a depository institution is optional and not a condition of obtaining credit approval. The insurance is not solicited until after the lending institution agrees to make the loan.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 746.215, Section 106 of the Truth in Lending Act (15 U.S.C.)	A prominent written disclosure is provided to the borrower that includes the following: <ol style="list-style-type: none"> <li>1. That insurance related to a loan may be purchased from an insurer of the borrower's choice. The lender may not unreasonably deny the borrower's choice.</li> <li>2. That if the consumer has other insurance that covers the risk, he or she may not want or need credit personal property insurance.</li> <li>3. A brief description of the coverage, including a description of the major perils and exclusions, any deductible, to whom the benefits would be paid, and the premium for the coverage.</li> </ol>	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 742.018	Coverages filed as an individual policy or group certificate of insurance issued on an out-of-state group policy are the approved coverage and binding agreement within Oregon.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 742.046	The insured receives a copy of the policy or certificate when the loan is accepted, or a summary and the policy/certificate is sent within a reasonable time.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>FORMS</b>				
Application	ORS 742.003(1)	The application is filed for approval as part of the entire contract as required under ORS 742.003(1) and does not conflict with laws relating to the coverage.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	Bulletin 2010-3	If the policy has fraud, concealment, misrepresentation language, then the application is required to include a fraud warning.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	OAR 836-060-0055(2)	The application must include a line for signed acceptance of the applicant before premiums can be automatically deducted from the debtor's account.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	Position based on NAIC Model*	When credit products are bundled into one package, each credit, coverage must be individually selected by the insured.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	Position based on NAIC Model*	Include a prominent statement on the application that states: "This coverage might duplicate existing coverage if you have a residential property insurance policy."	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Application, continued	ORS 746.620 - ORS 746.630	Privacy-policy practices and disclosure authorization is provided on the application and includes the duration of validity. If these disclosures and authorization are secured on another form, state in the cover letter how they are provided.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Policy period	ORS 742.048 ORS 742.023	The policy states that coverage commences at 12:01 a.m. on the policy's effective date. The insurance commences on the date the debtor becomes obligated to the creditor.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Position based on NAIC Model*	Coverage does not extend beyond the discharge of the indebtedness to which the coverage relates.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	OAR 836-085-0015	If a credit property policy is issued for a term longer than one year, and, for additional consideration, a premium is guaranteed, the insurer may not refuse to renew the policy or increase the premium for the term of that policy.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Access to courts	ORS 742.061	Attorney fees - If a claim settlement is not made within six months and action is brought to court, should the plaintiff's recovery exceed the amount of payment made by the defendant, the court will set attorney fees to be paid as part of the costs of legal action and any appeal.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Arbitration	ORS 36.600 - ORS 36.740	If the policy provides for arbitration if claim settlement cannot be reached, the parties may elect arbitration by mutual agreement at the time of the dispute after the claimant has exhausted all internal appeals and can be binding by consent of the insured person. <i>(If the policy provides for arbitration when claim settlement cannot be reached and the policy owner elects arbitration, arbitration takes place under the laws of Oregon held in the insured's county or any other county in this state agreed upon.)</i>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Bankruptcy	ORS 742.031	The policy includes a bankruptcy provision similar to that in ORS 742.031.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Cancellation and nonrenewal	ORS 742.023 ORS 742.224(2)	<p>If the policy provides for renewing the coverage or cancellation, fair notice must be provided. If the policy includes the peril of <b>fire</b>, then the policy requires 10 days written notice prior to cancellation for premium nonpayment and 30 days written notice for any other cancellation reason.</p> <p>If the policy includes <b>commercial liability</b>, then the policy requires 10 working days after policyholder receipt of written notice for cancellation due to premium nonpayment or other statutorily permitted cancellation reason and 45 days after receipt of written notice for nonrenewal.</p> <p>Any conflicts between the different cancellation requirements within a policy require the insurer to use the longest notification requirement.</p>	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 746.195	If the coverage requires evidence of insurability for the extension of credit insurance, the debtor may offer evidence of alternative insurance acceptable to the creditor at the time of cancellation.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Discrimination	Position based on NAIC Model*	The creditor is not designated as the claims representative for the insurer in adjusting claims.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Fees and service charges	ORS 742.023 ORS 746.015 OAR 836-071-0269 thru OAR 836-071-0277	All charges to the policy holder are included in filed rating plans and are listed on the declarations page. No unfiled charges may be added to the declarations page.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Legibility of forms	ORS 742.005(2)	The forms are clear and understandable in the presentation of premiums, labels, description of its contents, title, headings, backing, and other indication (including restrictions) in the provisions. The information is clear and understandable to the consumer and is not unintelligible, uncertain, ambiguous, abstruse, or likely to mislead.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Limits	Position based on NAIC Model*	Coverage in which the benefit does not cover the entire indebtedness is prominently stated on the schedule and that coverage applies only to the property described.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 742.005	If the term of coverage is less than the credit transaction, a statement to that effect is included on the face of the debtor's form in not less than 12-point boldface type.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Loss settlement	ORS 742.053	Insurers must furnish a proof of loss form when requested in writing by a person claiming to have a loss under the policy. An insured must have at least 90 days from the date the form is furnished to complete the form and submit it.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 742.230	Eligible benefits being paid under a claim cannot be terminated if the master policy is terminated.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Position based on NAIC Model*	Eligibility for claim cannot require minimum payment under the account for the first 30 days of claim; however, the benefit may deduct past-due amounts and late charges associated with the loan.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Position based on NAIC Model*	Provision includes a statement that the benefits are paid to the creditor to reduce or extinguish the unpaid debt or to repair or replace the property and, when the amount of loss payment exceeds the unpaid debt, any excess payment is paid to the debtor.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Misrepresentation/Misstatements	ORS 742.208	A provision in the policy makes it clear that statements made by the insured, in the absence of fraud, are representations and not warranties.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Premium payment, refund, or retention	ORS 742.023(1)(e) and (2)	Premium for each coverage is disclosed separately and stated as per \$100 of the monthly balance covered or, if single premium, the premium calculated for the covered amount. On bundled schedules, each coverage is listed separately.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 742.005(2) ORS 742.023 ORS 742.224	The policy clearly defines the cancellation refund method. Upon cancellation for any reason, the policyholder may be entitled to a refund. Refunds should be paid promptly and must be paid upon demand.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Position based on NAIC Model	The debtor is entitled to a refund of unearned premium calculated on a daily pro-rata basis, computed at the schedule of premium rates in effect on the date of issue.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Primary coverage	Position based on NAIC Model*	Schedule must disclose the amount of indebtedness covered as being the balance to which the premium rate is applied, not the outstanding revolving account balance.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Position based on NAIC Model* & ORS 742.023(2)	Coverage is defined as paying a number of monthly payments on a specific loan or revolving credit account if the borrower qualifies for the benefit defined in the policy during the term of coverage.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Check answer
Primary coverage	Position based on NAIC Model*	Coverage includes at least the standard fire policy with coverage attachment and extended coverage endorsement.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Requirements	ORS 742.240	Any policy that includes the peril of fire, informs the insured they must have complied with all the requirements of the policy in order to bring suit against the company. The policy must also contain a provision that law suits must be brought within 24 months after loss.”	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Policy documentation	ORS 742.023	The property coverage is clearly described. On bundled schedules, each coverage is listed separately.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	Position based on NAIC Model*	Within the first 30 days after receiving the individual policy or certificate of insurance, the debtor may cancel the coverage and have all premium paid by the debtor refunded or credited.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
	ORS 742.023 & ORS 742.005 (2)	Terms used in describing the coverage are clearly defined. Provisions include a full description of the coverage including the amount, term, including any exceptions, limitations, and exclusions.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Rebates	ORS 746.035 and 746.045	Inducements or rebates specified in the policy. (If answer is other than “N/A,” details must be included in the rates and rules filing.)	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
Titles & headings	ORS 742.005(2)	The forms are clearly titled and headings for benefits include references to any limitations and restrictions contained in the provision.	Yes <input type="checkbox"/> N/A <input type="checkbox"/>

Review requirements	Reference	Description of review standards requirements	Location in filing (or check answer)		
<b>RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS</b>					
Requirements	ORS 737.205	Copies of rates, rating plans, and rating systems must be filed prior to use.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
		Effective date is not earlier than the date the filing is received by the Division of Financial Regulation.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
Fictitious group	ORS 737.600, OAR 836-042-0300 to 0322	If filing a group for rate purposes, the group meets the requirements of ORS 737.600(3)(d), and mass-marketing plan rules.	Yes	No	N/A
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discrimination	ORS 746.015, OAR 836-081-0010	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and the application of rates.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
Loss ratio standards	Position based on NAIC Model*	Rate filing includes the appropriate rate formula upon which rates are based, including provision for an anticipated loss ratio of at least 60 percent.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
Ratemaking generally	ORS 737.310, OAR 836-010-0021	Provide all data used and judgments made.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
		Provide a description of methodology used.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
		Position based on NAIC Model*	Only the lender pays premium costs for repossession, skip/confiscation/conversion, liens, and title misfiling.	Yes	No
			<input type="checkbox"/>	<input type="checkbox"/>	
	OAR 836 071-0269 & 0274 ORS 731.808	Rates are filed as they are actually charged to the consumer, to include all expenses and fees. Field add-ons to the rates are not permitted.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
	Position based on NAIC Model*	If filing commission levels higher than 20 percent, details are provided that explain which company-administration functions have been transferred to agent to cause an increase in commissions. The commission should not exceed 35 percent.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	
Fees and service charges	ORS 737.310, OAR 836-010-0021	Provide the cost-accounting justification on initial filings and subsequent changes.	Yes	No	
			<input type="checkbox"/>	<input type="checkbox"/>	

Review requirements	Reference	Description of review standards requirements	Location in filing (or check answer)	
Loss valuation	ORS 737.310, OAR 836-010-0021	Provide premium data	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Loss and LAE data	<input type="checkbox"/>	<input type="checkbox"/>
		Expected loss ratio	<input type="checkbox"/>	<input type="checkbox"/>
	ORS 737.310, OAR 836-010-0021	1. Provide earned exposure and earned exposure at present rates for each coverage or for combined coverages. 2. Include a rate-level history.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Investment income	ORS 737.310, OAR 836-010-0021	1. Provide the cash flow method OR 2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserves.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Rebates	ORS 746.035 ORS 746.045	Are inducements or rebates specified in the policy? (If “yes,” explain in the cover letter and identify the location in the rule.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Schedule rating	ORS 737.205	Schedule rating plan identifies the credit or debit modification criteria and the maximum plan modification.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Trending	ORS 737.310, OAR 836-010-0021	1. Provide all internal loss-trend data or external-industry loss trend data used. 2. Include separate determinations of loss severity and frequency trends. 3. Include the calculation of annual trend factors, including statistical results. 4. Provide all data used and judgments made. 5. Provide a description of methodology used.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Underwriting profit & contingencies	ORS 737.310, OAR 836-010-0021	1. Oregon data for commission and brokerage.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		3. Oregon data for taxes, licenses, and fees.	<input type="checkbox"/>	<input type="checkbox"/>
		4. Expense trend.	<input type="checkbox"/>	<input type="checkbox"/>
		5. Historic experience.	<input type="checkbox"/>	<input type="checkbox"/>

\* Credit Personal Property Insurance Model Act