

STATE OF OREGON

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

DIVISION OF FINANCIAL REGULATION

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting under the authority in ORS 731.870, has determined that the outbreak of novel coronavirus (COVID-19) in Oregon, which resulted in a state of emergency,¹ substantially interferes with the public’s ability to carry on its normal course of business. The Director therefore issues this Order (“Order”) to all insurers² transacting insurance in Oregon (“insurers”).

This Order is directed to all admitted insurers³ that provide any type of insurance coverage in Oregon, including, life, health, auto, property, casualty, and all other lines of insurance. The Order applies to all insurance policies issued or delivered in Oregon.

Additionally, the Director requests that all insurance agents, brokers, third party administrators, web brokers and other licensees who accept premium payments on behalf of insurers take the steps detailed below to ensure that customers have all appropriate options available to make prompt insurance payments.

The Director acknowledges that details regarding the implementation of this Order may require additional discussion with insurers and other stakeholders, and commits to convening those discussions as needed.

This Order takes effect on March 25, 2020, and will be in force through April 23, 2020, but the Director may extend the duration of the Order.

The Director FINDS that:

1. On March 8, 2020, Oregon Governor Kate Brown signed Executive Order 20-03, which declares a state of emergency due to the COVID-19 outbreak in Oregon under ORS 401.165.
2. On March 23, 2020, Oregon Governor Kate Brown signed Executive Order 20-12, ordering Oregonians to stay at home, closing specified retail businesses, requiring social distancing

¹ See Oregon Governor Kate Brown’s Executive Order declaring a state of emergency (EO No. 20-03), issued March 8, 2020. EO 20-03 can be found at the following URL:

https://www.oregon.gov/gov/Documents/executive_orders/eo_20-03.pdf

² The term “insurer” is defined in ORS 731.106 as “every person engaged in the business of entering into policies of insurance.” For purposes of this order, the term includes all insurance companies, health care service contractors, Multiple Employer Welfare Arrangements, and all similar entities engaged in the business of insurance in Oregon.

³ The term “admitted insurer” is defined in ORS 735.405 as “an insurer authorized to do an insurance business in this state.”

measures for other public and private facilities, and imposing requirements for outdoor areas and licensed childcare facilities.⁴

3. The COVID-19 outbreak in Oregon has resulted in widespread disruption to the normal course of business in the state. These changes have disrupted the personal affairs of nearly all Oregonians and the activities of nearly all Oregon businesses.
4. The resulting widespread business closures, job losses, and social distancing measures will severely affect the ability of individuals and businesses in Oregon to conduct normal activities, including timely premium payment and timely communications regarding claims submission and processing. Individuals experiencing lengthy hospitalizations, quarantines, or complying with guidance to stay at home may be effectively unable to pay premiums or communicate claims information for an extended period. Businesses ordered to close or constrain their operations for an extended period, or that experience major cash flow disruptions because of the outbreak, may experience similar difficulties.
5. Providing, as a temporary measure, for extended grace periods for premium payments, postponement of cancellations and non-renewals, and relief from reporting and other required communications related to claims submission and processing for insureds, and from other duties of insureds that may be burdensome, will help mitigate the negative impact of the COVID-19 outbreak on Oregonians and Oregon's economy.
6. The disruption to the normal course of business caused by the outbreak will continue for at least the period of time that the Order will be in force, and can be expected to affect all geographic regions of the state.

The Director CONCLUDES that:

7. Pursuant to ORS 731.870, when the Governor declares a state of emergency under ORS 401.165, the Director has the authority to issue an order addressing the following issues:
 - a. Reporting requirements for claims;
 - b. Grace periods for payment of insurance premiums and performance of other duties by insureds; and
 - c. Temporary postponement of cancellations and non-renewals.
8. An order issued under ORS 731.870 may not be effective for more than 30 days, but may be extended at the Director's discretion if circumstances warrant it for an additional period of not more than 30 days or for subsequent additional periods of not more than 30 days.

⁴ EO 20-12 can be found at the following URL: https://www.oregon.gov/gov/Documents/executive_orders/eo_20-12.pdf

9. Pursuant to Oregon Administrative Rules 836-050-0300 and 836-050-0305, authorized by ORS 731.870, the circumstances of the declared state of emergency, as described in paragraphs 1 to 6 in this Order, prevent: insureds from using normal methods of reporting claims; payment of insurance premiums and performance of other duties; and communication of notices of cancellation or nonrenewal from insureds to their insurers and communication from insurers to their insureds.

Now therefore, the Director ORDERS:

10. All insurers must immediately take the following actions regarding reporting of claims and other communications with insureds regarding claims:
 - a. Extend all deadlines for insureds to report claims or submit other communications related to claims. Deadlines that must be waived include, but are not limited to, deadlines to submit initial claims or to respond to communications related to claims payment and processing, grievances and appeals, or utilization review requirements.⁵
 - b. Insurers must take all practicable steps to provide opportunities for insureds to report claims or provide required communications related to claims via methods compatible with social distancing recommendations, including telephonic and online communications and postal mail.
11. Insurers must immediately institute a grace period for premium payment for all policies of insurance issued in the state, ending no earlier than the date this Order is no longer in effect.
12. Insurers must immediately take the following actions regarding cancellations and non-renewals:
 - a. Suspend all cancellations and non-renewals for all active insurance policies in the state until this Order is no longer in effect.
 - b. For insurance policies in the state not yet cancelled or non-renewed as of the date of this Order, but for which a notice of cancellation or non-renewal has been issued, insurers must withdraw the issued notice and provide insureds with a notice that cancellation and non-renewal is suspended until this Order is no longer in effect.
 - c. Following the expiration of the Order, if it is not extended, entities transacting insurance in Oregon may resume cancellations and non-renewals.
 - d. For policies extended beyond the normal date of cancellation or non-renewal as a result of this Order, the premium for the extended coverage may be determined by the insurer in accordance with the terms of the policy, if applicable. Insurers may continue to bill insureds for this premium amount, but may not cancel or non-renew

⁵ This provision does not apply to the requirements of ORS 656.262 for workers' compensation insurance.

coverage due to non-payment of the extended premium amount until the Order is no longer in effect.

- e. An insurer may not cancel or non-renew a policy because of a claim directly resulting from the circumstances of the COVID-19 outbreak, except in cases of fraud or intentional misrepresentation of a material fact as prohibited by the terms of the plan.

The Director also issues the following requests:

- 13. The Director requests that all insurance agents, brokers, and other licensees who accept premium payments on behalf of insurers take steps to ensure that customers have the ability to make prompt insurance payments while also maintaining social distancing guidelines. This should include all practicable alternate methods of payment, such as online payments, to eliminate the need for in-person payment methods to protect the safety of workers and customers.
- 14. Insurers should take all other practicable steps to relieve consumers of duties and obligations under the terms of insurance contracts that could be unusually burdensome due to the impact of the COVID-19 outbreak, especially duties and obligations that could pose a barrier to coverage of items and services urgently needed to respond to the outbreak.

SO ORDERED this 25th day of March 2020.



Andrew R. Stolfi, Insurance Commissioner and Administrator
Division of Financial Regulation
Department of Consumer and Business Services