

# House Bill 2942

Sponsored by COMMITTEE ON BUSINESS AND LABOR

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Exempts certain motor vehicle insurance policies that are within 60 days of reinstatement from certain notice of cancellation requirements.

## A BILL FOR AN ACT

1  
2 Relating to notice of cancellation of insurance policies; creating new provisions; and amending ORS  
3 742.562.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 742.562 is amended to read:

6 742.562. (1) A notice of cancellation of a policy shall be effective only if it is based on one or  
7 more of the following reasons:

8 (a) Nonpayment of premium.

9 (b) Fraud or material misrepresentation affecting the policy or in the presentation of a claim  
10 thereunder, or violation of any of the terms or conditions of the policy.

11 (c) The named insured or any operator either resident in the same household or who customarily  
12 operates an automobile insured under the policy has had driving privileges suspended or revoked  
13 pursuant to law during the policy period, or, if the policy is a renewal, during its policy period or  
14 the 180 days immediately preceding its effective date. An insurer may not cancel a policy for the  
15 reason that the driving privileges of the named insured or operator were suspended pursuant to ORS  
16 809.280 (7) or (9) if the suspension was based on a nondriving offense.

17 (2) This section [*shall*] **does** not apply to any policy or coverage [*which*] **that** has been in effect  
18 less than 60 days **or is within 60 days of reinstatement** at the time notice of cancellation is mailed  
19 or delivered by the insurer unless it is a renewal policy.

20 (3) This section [*shall*] **does** not apply to nonrenewal.

21 **SECTION 2. The amendments to ORS 742.562 by section 1 of this 2007 Act apply to motor**  
22 **vehicle insurance policies issued, renewed or reinstated on or after the effective date of this**  
23 **2007 Act.**

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**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.