

A-Engrossed
House Bill 4125

Ordered by the House February 13
Including House Amendments dated February 13

Sponsored by Representatives SPRENGER, POWER (Presession filed.)

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.

[Requires insurer to mail or deliver notice of cancellation of automobile insurance policy at least 30 days before effective date of cancellation.]

Provides that insurer's cancellation of automobile insurance policy is not effective unless insurer mails or delivers notice of cancellation to named insured at least 30 days before effective date of cancellation, if policy or coverage has been in effect for 60 days or more, or at least 10 days before effective date of cancellation if cancellation is for nonpayment of premium or if policy or coverage has been in effect for less than 60 days. Requires insurer to include statement of reasons for cancellation under specified circumstances.

Applies to vehicle liability policies issued on or after effective date of Act.

A BILL FOR AN ACT

1
2 Relating to the cancellation of automobile insurance policies; creating new provisions; and amending
3 ORS 742.564.

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

5 **SECTION 1.** ORS 742.564 is amended to read:

6 *742.564. [(1) No notice of cancellation of a policy to which ORS 742.562 applies shall be effective*
7 *unless mailed or delivered by the insurer to the named insured at least 30 days prior to the effective*
8 *date of cancellation and accompanied by a statement of the reason or reasons for cancellation, provided,*
9 *however, that where cancellation is for nonpayment of premium at least 10 days' notice of cancellation*
10 *accompanied by the reason therefor shall be given.]*

11 *[(2) This section shall not apply to nonrenewal.]*

12 **(1) A cancellation of a policy is not effective unless the insurer mails or delivers a notice**
13 **of cancellation to the named insured:**

14 **(a) At least 30 days before the effective date of the cancellation, if the policy or coverage**
15 **has been in effect for 60 days or more on the date on which the insurer mails or delivers the**
16 **notice of cancellation;**

17 **(b) At least 10 days before the effective date of the cancellation, if the cancellation is for**
18 **nonpayment of premium; or**

19 **(c) At least 10 days before the effective date of the cancellation, if the policy or coverage**
20 **has been in effect less than 60 days on the date on which the insurer mails or delivers the**
21 **notice of cancellation.**

22 **(2) A notice under subsection (1)(a) or (b) of this section must include a statement of the**
23 **reason or reasons for the cancellation.**

24 **(3) This section does not apply to nonrenewal.**

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.

1 **SECTION 2.** The amendments to ORS 742.564 by section 1 of this 2020 Act apply to vehicle
2 liability insurance policies issued on or after the effective date of this 2020 Act.
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