

Enrolled House Bill 3272

Sponsored by Representative MARSH; Representatives CAMPOS, DEXTER, FAHEY, GOMBERG, GRAYBER, HAYDEN, HUDSON, KOTEK, KROPF, LIVELY, MEEK, MORGAN, PHAM, POWER, REYNOLDS, SCHOUTEN, SMITH DB, VALDERRAMA, WILLIAMS, WITT, Senators JAMA, KENNEMER, RILEY

CHAPTER

AN ACT

Relating to insurance; and declaring an emergency.

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

SECTION 1. Sections 2, 3 and 4 of this 2021 Act are added to and made a part of ORS chapter 742.

SECTION 2. (1) As used in this section:

(a) “Homeowner insurance” has the meaning given that term in ORS 746.600.

(b) “Property” means structures and dwellings, and the contents of structures and dwellings, that are covered by a policy of homeowner insurance.

(2) If a policy of homeowner insurance requires an insured to repair, rebuild or replace damaged or lost property in order to collect the full replacement cost for the property, the insurer shall, subject to the policy limits:

(a) Allow an insured to repair, rebuild or replace damaged or lost property:

(A) In not fewer than 12 months after the date of the insurer’s initial payment toward the cash value of the property that was damaged or lost; or

(B) In not fewer than 24 months after the date of the insurer’s initial payment toward the cash value of the primary dwelling of the insured that was damaged or lost, if the damage or loss occurred in a location that was subject to a declaration of a state of emergency under ORS 401.165 and the damage or loss is directly related to the emergency that was the subject of the declaration.

(b) Provide additional living expenses to an insured, subject to the policy limits for additional living expenses, for a period of 24 months after the date of the damage or loss to the insured’s primary dwelling if the damage or loss occurred in a location that was subject to a declaration of a state of emergency under ORS 401.165 and the damage or loss is directly related to the emergency that was the subject of the declaration.

(c) Add time to each of the periods described in paragraphs (a) and (b) of this subsection in increments of six months for a total period of not more than 24 months under paragraph (a)(A) of this subsection and a total period of not more than 36 months under paragraphs (a)(B) and (b) of this subsection if an insured, acting in good faith and with reasonable diligence, encounters unavoidable delays in obtaining a construction permit, lacks necessary construction materials, lacks available contractors to perform necessary work or encounters other circumstances beyond the insured’s control.

(3) Subsection (2) of this section does not prohibit an insurer from allowing an insured additional time to collect the full replacement cost for lost or damaged property or for additional living expenses.

(4) A policy of homeowner insurance may not limit or deny a payment of the replacement cost or building code upgrade cost, including a payment of any extended replacement cost available under the policy coverage, for an insured's structure that was a total loss on the basis that the insured decided to rebuild in a new location or to purchase an existing structure in a new location if the policy otherwise covers the replacement cost or building code upgrade cost, except that the measure of indemnity may not exceed the replacement cost, building code upgrade cost or extended replacement cost for repairing, rebuilding or replacing the structure at the original location of the loss.

SECTION 3. If a loss covered under a policy of homeowner insurance, as defined in ORS 746.600, occurs in a location that was subject to a declaration of emergency under ORS 401.165 and the loss is directly related to the emergency that was the subject of the declaration, the policy of homeowner insurance must require the insurer to combine coverage limits that apply to claims for a loss of the insured's primary dwelling and claims for a loss of other covered structures if the coverage limit that applies to the insured's primary dwelling is insufficient to pay for rebuilding or replacing the primary dwelling. The amount an insurer pays under the total combined coverage limits may not exceed the amount that would be necessary to repair the actual damage to, or replace, as appropriate, the insured's primary dwelling. The insurer shall pay in accordance with the terms of the policy of homeowner insurance the amount of any claim for a loss other than damage to the insured's primary dwelling.

SECTION 4. An insurer shall provide to an insured every other year at the time the insurer offers to renew a policy of homeowner insurance, as defined in ORS 746.600, an opportunity to obtain a new estimate of the cost necessary to rebuild or replace the covered property if the insured provides information necessary for the estimate.

SECTION 5. Sections 2, 3 and 4 of this 2021 Act apply to policies of homeowner insurance that an insurer issues or renews on and after the effective date of this 2021 Act.

SECTION 6. Section 4 of this 2021 Act becomes operative on July 1, 2022.

SECTION 7. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Passed by House April 26, 2021

Repassed by House June 2, 2021

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 28, 2021

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

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Shemia Fagan, Secretary of State