

HB 2563-1
(LC 367)
3/24/25 (TSB/ps)

Requested by HOUSE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION (at the request of Department of Consumer and Business Services)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2563**

1 On page 1 of the printed bill, delete lines 6 through 27 and delete pages
2 2 through 4 and insert:

3 **“SECTION 2. (1) As used in this section, ‘qualified policy’ means**
4 **an insurance policy that is:**

5 **“(a) Homeowner insurance, as defined in ORS 746.600; or**

6 **“(b) Personal insurance, as defined in ORS 746.600 (33)(a) and (c).**

7 **“(2) An insurer that renews an existing qualified policy with an in-**
8 **sured shall, at the insured’s written request, give a clear and reason-**
9 **able written explanation for any increase in the amount of the**
10 **premium the insured must pay upon renewing the qualified policy. A**
11 **clear and reasonable written explanation is an explanation that pro-**
12 **vides to the insured, in language that is not technical and is under-**
13 **standable to an average policyholder, information that enables the**
14 **insured to understand the insurer’s reasons for the increase.**

15 **“(3) A clear and reasonable written explanation of a premium in-**
16 **crease from an insurer under subsection (2) of this section must in-**
17 **clude all, but not more than four, of the factors that most**
18 **significantly contributed to the premium increase. The Department**
19 **of Consumer and Business Services by rule shall define when a factor**
20 **significantly contributes to a premium increase. The factors that an**
21 **insurer must consider for inclusion in the written explanation de-**

1 scribed in subsection (2) of this section are:

2 “(a) The specific rating variables that contributed to an increase in
3 the premium amount, including but not limited to:

4 “(A) The location in which a motor vehicle is stored when not in
5 use, the insured’s driving record, the number of miles the vehicle is
6 driven in a specified period, the insured’s claims history and any fees,
7 surcharges or discounts that apply to the premium amount;

8 “(B) The insured’s age, education, gender, marital status and oc-
9 cupation, to the extent that the insurer may lawfully consider such
10 items;

11 “(C) Changes to a rate relativity or to a base rate, including but
12 not limited to the use of credit history and a credit-based insurance
13 score;

14 “(D) The age, location and value of insured property; and

15 “(E) Any rate caps or rate changes that apply to the premium rate,
16 including rate caps or rate changes that apply under rate stability
17 rules, transition rules or other premium capping rules; and

18 “(b) Any other information the insurer wishes to disclose concern-
19 ing the insurer’s determination of the increase in the premium
20 amount.

21 “(4) In a printed or electronic offer to renew a qualified policy or
22 notice of an automatic renewal of a qualified policy, an insurer shall
23 include a prominent and conspicuous statement that tells the insured
24 that the insured may ask the insurer or the insurer’s agent in writing
25 for an explanation of any premium increase. The insurer shall display
26 the same statement on the first printed or electronic premium invoice
27 the insurer sends after renewing a qualified policy.

28 “(5) An insurer shall respond to an insured’s written request under
29 subsection (2) of this section not later than 20 days after receiving the
30 request.

1 **“(6) The Director of the Department of Consumer and Business**
2 **Services may prescribe by rule the form, format and contents of the**
3 **written explanation and statement described in subsection (3) of this**
4 **section and any required elements of an insurer’s offer to renew a**
5 **qualified policy or notification of an automatic renewal of a qualified**
6 **policy.**

7 **“(7)(a) This section does not apply to:**

8 **“(A) Applications for or purchases of new insurance policies;**

9 **“(B) A personal insurance policy that provides coverage for a boat,**
10 **motorcycle, off-road vehicle, recreational vehicle, antique vehicle**
11 **maintained as a collector’s item or a vehicle maintained only for a**
12 **specialty use that does not involve passenger transportation on the**
13 **surface roads or highways of this state;**

14 **“(C) A policy of insurance that covers health, disability, life, long-**
15 **term care or to an insurer in renewing such a policy;**

16 **“(D) Changes that an insured initiates with respect to an insurance**
17 **policy’s coverage or premium amount; or**

18 **“(E) Personal umbrella insurance policies.**

19 **“(b) This section does not require an insurer to disclose the con-**
20 **tents of:**

21 **“(A) A credit-based insurance scoring model;**

22 **“(B) Criteria for placement of insurance;**

23 **“(C) Eligibility rules;**

24 **“(D) Confidential trade secrets; or**

25 **“(E) Filings with the Department of Consumer and Business Ser-**
26 **vices related to usage-based insurance or the usage-based component**
27 **of a rate.**

28 **“(8) The department shall adopt rules to implement the require-**
29 **ments of this section, including but not limited to rules requiring pe-**
30 **riodic data reporting from insurers that issue qualified policies to**

1 evaluate the impact of the required notices and rules that clarify the
2 form and manner of the written request that an insurer must respond
3 to under subsection (2) of this section.

4 **“SECTION 3. Section 2 of this 2025 Act applies to qualified policies
5 that an insurer renews on or after the operative date specified in sec-
6 tion 4 of this 2025 Act.**

7 **“SECTION 4. Section 2 of this 2025 Act becomes operative on Sep-
8 tember 1, 2026.**

9 **“SECTION 5. This 2025 Act takes effect on the 91st day after the
10 date on which the 2025 regular session of the Eighty-third Legislative
11 Assembly adjourns sine die.”.**

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