

Department of Consumer & Business Services  
**Oregon Insurance Division – 5**  
P. O. Box 14480  
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Phone (503) 947-7983

**STANDARDS FOR COMMERCIAL FORMS**

This checklist must be submitted with your filing in compliance with OAR 836-010-0011(2). This list includes relevant statutes, rules, bulletins, and other documented positions to enforce ORS 731.016. The standards are summaries and review of the entire statute or rule may be necessary. Complete each item to confirm that diligent consideration has been given to each and is certified by the signature on the certificate of compliance form. “Not applicable” can be used only if the item does not apply to the coverage being filed. Any line left blank will cause this filing to be considered incomplete. Not including required information or policy provisions may result in disapproval of the filing. *(If submitting your filings electronically, bookmark the provision(s) in the form(s) that satisfy the requirement and identify the page/paragraph on this form.)*

**Checklist is NOT APPLICABLE to the following:**

- For TOIs not listed, see our Web site for specific standards at: [www.oregoninsurance.org/docs/serff/filing\\_requirements.htm](http://www.oregoninsurance.org/docs/serff/filing_requirements.htm).
- For adopting bureau forms, see requirements under *Rating organization Form Adoption* on our Web site.
- For filing rating organization loss cost modification factors, see *Rating Organization Loss Cost* on our Web site.
- Filing of simple endorsements, title or declaration pages do not require a checklist of standards; see the Web site.
- For filing commercial farm and ranch, submit Form 440-3618.

**Insurer name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

- |                                      |  |   |
|--------------------------------------|--|---|
| <b>TOI (type of Insurance) code:</b> | <input type="checkbox"/> 05.0/05.1/05.2 Commercial multi-peril (liability/non-liability)<br><input type="checkbox"/> 11.0/11.1/11.2 Medical malpractice (claims made/occurrence)<br><input type="checkbox"/> 26.0001 Commercial burglary and theft | <input type="checkbox"/> 09.0 Inland marine<br><input type="checkbox"/> 27.0 Boiler and Machinery<br><input type="checkbox"/> H12.003 Provider excess |
|--------------------------------------|--|---|

**Sub-type code:** \_\_\_\_\_ **Name of sub-TOI code:** \_\_\_\_\_

Review requirements	Reference	Description of review standards requirements	Location of standard in filing (or check the box)				
<b>GENERAL REQUIREMENTS (FOR ALL FILINGS)</b>							
Product Locator		Were the forms in your filing developed with the NAIC Product Locator, Oregon information? <i>(The requirements on this document are substantially the same as those on the Product Locator for consistency in drafting and meeting these filing requirements.)</i>	<table border="0"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No						
<input type="checkbox"/>	<input type="checkbox"/>						

Filing submission	OAR 836-010-0011 As required on SERFF or our Web site	Required forms are located on SERFF or on our Web site at: <a href="http://www.oregoninsurance.org/docs/serff/filing_requirements.htm">www.oregoninsurance.org/docs/serff/filing_requirements.htm</a> .. These must be submitted for your filing to be accepted as complete: 1. Transmittal form. 2. Cover letter (See transmittal form for instructions.) 3. Third party filers' letter of authorization. 4. Certificate of compliance form. 5. Product standards (this document). 6. Rates, rules and actuarial memorandum with an overview of the contents of the filing, and the reasons and procedures used to derive the rate change. 7. Forms filed for approval. 8. For mail filings, submit two complete sets of the filing and a large self- addressed, stamped envelopes in which the division can return approved forms.	Yes <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
No filing or filing exemptions		Ocean marine		
Review	ORS 742.003(1) and 737.205	Check all that are submitted in this filing for review: 1. New policy or program. 2. Endorsements amending an existing program that include additional coverages in these standards need only attach the pages addressing that area. 3. Rates and rules.	Yes <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Applicability		For personal inland marine and pet health, file Form 440-3627 instead of this form		
	ORS 742.048(2)	No policy has been issued or will be issued upon the forms in this filing until approved.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>FORMS</b>				
Access to courts	ORS 742.061	Attorney fees - If a claim settlement is not made within six months and action is brought to court, should the plaintiff's recovery exceed the amount of payment made by the defendant, the court will set attorney fees to be paid as part of the costs of legal action and any appeal, unless the parties agree to binding arbitration.		
Arbitration	ORS 742.520(6)	Disputes between insurers and beneficiaries about the amount or denial of personal injury protection benefits are decided by arbitration if mutually agreed to at the time of the dispute		

Arbitration	ORS 742.504(10), 742.522, and 36.600- 36.740	The policy provides for arbitration if claim settlement cannot be reached. The parties may elect arbitration by mutual agreement at the time of the dispute after the claimant has exhausted all internal appeals and can be binding by consent of the insured person. The cost to the insured does not exceed \$100 and other costs (with some exceptions) are paid by the insurer. <i>(If the policy provides for arbitration when claim settlement cannot be reached and the policy owner elects arbitration, arbitration takes place under the laws of Oregon held in the insured's county or any other county in this state agreed upon.)</i>	
Bankruptcy	ORS 742.031	The policy includes a bankruptcy provision similar to that in ORS 742.031.	
Cancellation & nonrenewal	ORS 742.702 and OAR 836-085-0010	Effective date of cancellation for cause is no less than 10 working days after the insured receives notice. A policy in effect for 60 or more days may be cancelled prior to policy expiration only for specified reasons: <ul style="list-style-type: none"> <li>(a) Nonpayment of premium.</li> <li>(b) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy.</li> <li>(c) Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision.</li> <li>(d) Failure to comply with reasonable loss-control recommendations.</li> <li>(e) Substantial breach of contractual duties, conditions, or warranties.</li> <li>(f) Determination that the continuation of a line of insurance or class of business will jeopardize a company's solvency, or will place the insurer in violation of the insurance laws of Oregon or any other state.</li> <li>(g) Loss or decrease in reinsurance covering the risk.</li> <li>(h) Any other reason approved by the director by rule.</li> </ul>	
	ORS 742.706(1) and OAR 836-085-0025	If an insurer offers to renew a commercial liability policy on terms less favorable or at higher rates, the new terms or rates may take effect on the renewal date with 30 days' written notice. If the insurer does not provide such notice, the insured may cancel the renewal policy within 30 days. Earned premium for the period of time the renewal policy was in force shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, changes shall be effective immediately following the prior policy's expiration date.	

	ORS 742.706(2)	Nonrenewal of a commercial liability policy is not effective until at least 30 days after the insured receives a written notice of nonrenewal. If, after an insurer provides a notice of nonrenewal as described in this statute, the insurer extends the policy 90 days or less, an additional notice of nonrenewal is not required with respect to the extension.	
	ORS 742.706(4) & OAR 836-085-0015	If a commercial liability policy is issued for a term longer than one year, and for additional consideration a premium is guaranteed, the insurer may not refuse to renew the policy or increase the premium for the term of that policy.	
Claims-made	Division position	The form is required to provide no less than a 12-month extended-reporting option that is available regardless of who terminates the contract and that allows the insured 30 days to make the election.	
Defense costs	ORS 742.063	A liability form providing that defense costs are included within the stated policy limits contains a statement disclosing that these costs are included within policy limits.	
Discrimination	ORS 746.018	A policy does not unfairly discriminate in insuring against risks of essentially the same degree of hazard for burglary, theft, or robbery.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Legibility of forms	ORS 742.005(2)	The forms are clear and understandable in the presentation of premiums, labels, description of contents, title, headings, backing, and other indication (including restrictions) in the provisions. The information is clear and understandable to the consumer and is not unintelligible, uncertain, ambiguous, abstruse, or likely to mislead.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Loss settlements	ORS 742.053	The policy states that the insurer will furnish a claim form within 15 days after notice of claim or will accept the filing of proof-of-loss covering the occurrence, character, and extent of loss.	
Participating policies	OAR 836-080-0130	Any statement made to the policyholder regarding dividends must be in writing and follow the requirements in this rule.	
	OAR 836-080-0120(2)	A participating policy requires a participation provision that includes substantially equivalent wording to that stated in the rule.	
	OAR 836-080-0120(1)	Upon request, a written statement is provided to the policyholder, specifying whether the policy is or is not a participating policy.	
	OAR 836-080-0125 and 0155	The insurer shall not represent to pay a specified amount or use a formula to determine dividends or be false or deceptive in representations.	
	OAR 836-080-0140 to 0150	The determination and distribution of dividends do not unfairly discriminate and are consistent in the plans, scales, tables, formulas, schedules, and factors adopted in a dividend declaration.	

Policy period	ORS 742.048	The policy states that coverage commences at 12:01 a.m. on the policy effective date, unless a binder states otherwise.	
Rebates	ORS 746.035 and 746.045	Inducements or rebates specified in the policy. (If answer is other than "N/A," details must be included in the rates and rules filing.)	
Titles & headings	ORS 742.005(2)	The forms are clearly titled and headings for benefits include references to any limitations and restrictions contained in the provision.	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Medical malpractice – additional standards</b>			
Policy documentation	ORS 742.405	Membership in a professional association cannot be required as a condition of issuance of medical malpractice insurance to a physician. However, a nonmember may be subject to reasonable risk management, loss control, or similar programs and conditions to which members are subject. No surcharge or discount can be applied based on membership.	
<b>RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS</b>			
Discrimination	ORS 746.015, OAR 836-081-0010	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and application of rates.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Fictitious groups	ORS 737.600	If filing a fictitious group for rate purposes, the group meets the requirements of ORS 737.600(3)(b) for mass-marketing plans.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
Schedule rating	Division Bulletin 82-4	Schedule rating plans are limited to total credits or debits of 25 percent unless justified by statistical evidence.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Rebates	ORS 746.035 and 746.045	Are inducements or rebates specified in the policy? (If "yes," explain in the cover letter and identify the location in the rule.)	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Ratemaking generally</b>			
Credibility	ORS 737.310 and OAR 836-010-0021	1. Provide all data used and judgments made. 2. Provide description of methodology used.	
Fees, service charges, taxes	ORS 737.310 and OAR 836-010-0021	Provide cost-accounting justification on initial filings and subsequent changes.	
Loss valuation	ORS 737.310 and OAR 836-010-0021	Premiums: 1. Earned premium and earned premium at present rates for each coverage or combined coverages using the extension of exposures or on level factors. 2. A rate level history. 3. Adjustment for inflation. 4. State whether data is on a basic or total-limits basis.	

	ORS 737.310 and OAR 836-010-0021	Loss data: 1. For each coverage and each year used in calculating the rate level, state whether data is on a basic or total-limits basis.	
		2. Each year and coverage includes: Earned exposures. Incurred losses. Loss development factors. Description of the methodology used to derive the loss development factors. Unallocated loss adjustment expense. Allocated loss adjustment expenses. Ultimate incurred losses and loss adjustment expenses. Trend factors. Trended ultimate incurred losses and loss adjustment expense.	
		3. If losses are separated into catastrophic and non-catastrophic, a description of the method used to separate losses.	
Risk classification	ORS 737.310 and OAR 836-010-0021	For each rating variable, territory, and tier levels provide the following information: 1. Earned premium, earned exposures, incurred loss, and number of claims.	
		2. Methodology and judgments used to arrive at the differentials.	
		3. Adjustments to ensure homogeneity of rating group characteristics.	
		4. All data used and judgments made.	
		5. Description of methodology used.	
Investment income	ORS 737.310 and OAR 836-010-0021	1. Cash flow method. <i>or</i>	
		2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium.	
Trending	ORS 737.310 and OAR 836-010-0021	1. Provide all internal loss-trend data or external fast-track-loss-trend data used.	
		2. Separate determinations of loss severity and frequency trends.	
		3. Calculation of annual trend factors including statistical results.	
		4. All data used and judgments made.	
		5. Description of methodology used.	

Underwriting profit & contingencies	ORS 737.310 and OAR 836-010-0021	1. Oregon data for commission and brokerage.	
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	
		3. Oregon data for taxes, licenses, and fees.	
		4. Expense trend.	
		5. Historic experience.	