

Department of Consumer & Business Services
Oregon Insurance Division – 5
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**STANDARDS FOR GAP, COLLATERAL PROTECTION
AND RESIDUAL VALUE FORMS, RATES, AND RULES FILING**

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 instruction at: www.insurance.oregon.gov/docs/serff/filing_requirements.htm.

Filing of simple endorsements, title or declaration pages, or advertisements; see Web site for requirements.

For credit personal property, use Form 440-3625c.

Insurer name: _____

Date: _____

Market: Personal lines Commercial lines (mark only if collateral protection)

TOI (type of insurance) code: 28.0006 Other credit policies (Identify):

28.0002 Creditor placed auto

28.0005 Personal GAP Insurance

Type of coverage:

- GAP:
- GAP plus underlying deductible or other benefits:
- Collateral protection:
- Residual value (Lender coverage only)
- Vendors single interest (28.0002)

Type of filing:

- Dual coverage
- Lender coverage only
- Dual coverage
- Lender coverage only
- Forced placed
- Lender coverage only

Review requirement	Reference	Description of review standards requirements	Location of standard in filing (or check the box)	
GENERAL REQUIREMENTS (FOR ALL FILINGS)				
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>	Yes <input type="checkbox"/>	No <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: www.insurance.oregon.gov/docs/serff/filing_requirements.htm These must be submitted for your filing to be accepted as complete:	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
		<ol style="list-style-type: none"> 1. Transmittal form(paper filings only) 2. Cover letter (See transmittal form for instructions.) 3. Third-party filer’s letter of authorization. 4. Certificate of compliance form. 5. Product standards (this document). 6. Rates, rules and actuarial memorandum stating 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, two self-addressed stamped envelopes, one in which the division can return approved forms. 	<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"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		If filing for individually owned private-passenger vehicle, the marketing program and the method of distribution and administration of service are described in the filing as are other forms of this product available in the same market.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
No filing or filing exemptions	ORS 731.036(9)	Sellers, lessors, lenders, and assignees of motor vehicles who lease or finance the purchase of motor vehicles and self-insure an agreement to waive, FOR NO ADDITIONAL CHARGE, the difference between the actual cash value of the motor vehicle at the date of loss and the amount owed under the agreement, are not subject to the insurance code.		
Review	ORS 742.003(1) & ORS 737.205	Included in this filing for review: <ol style="list-style-type: none"> 1. New policy or program. 2. Endorsements amending an existing program that include additional coverages in these standards. 3. Certificate of insurance, if group. 4. Rates and rules only. 	Yes <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Applicability	ORS 742.048(2) & ORS 742.003	No policy has been issued or will be issued upon the forms in this filing until approved.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	OAR 836-071-0269, OAR 836-071-0274	Agents are not allowed to charge a service fee except as outlined in OAR 836-071-0269	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Limitations/ restrictions on transacting business	ORS 744.053 & ORS 744.052	If filing a GAP product for which the vehicle purchaser/lessee pays a charge, agents are licensed under one of the following: 1. A Limited Class Insurance Producer 2. A Resident or Non-Resident Casualty Insurance Producer	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 744.062 & ORS 744.063	If the GAP coverage includes underlying insurance deductibles or other non-GAP benefits, agents are licensed as a Casualty Insurance Producer (This includes credit-union employee, auto dealer finance and insurance person, or other employees or independent agents.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	OAR 836-062-0005	For individually owned private-passenger vehicles, the agent obtains a signed receipt acknowledging that the purchaser has read and understands the required warning and retains all receipts for a period not less than six months after the termination of the coverage.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	OAR 836-062-0005 and 0010	For individually owned private-passenger-motor-vehicle-physical-damage-only policies, GAP, or for VSI, a notice of the limited nature of the coverage is filed under one of the following standards: 1. Uses exact wording and font stated in OAR 836-062-0005 displayed on the face of the policy or evidence of coverage. 2. Is attached with a sticker or stamp that contains the exact wording for the required warning. 3. Is submitted as an alternative-notice provision that substantially complies for approval.	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>
	ORS 746.215(b) & ORS 746.195	A depository institution soliciting insurance for personal, family or household purposes shall disclose that insurance related to the credit may be purchased from the insurer of the consumers choice and will not affect the credit decision	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	A depository institution may not solicit the sale of insurance until they have agreed to make the loan and may not refuse to accept a written binder issued by an insurance producer as proof that insurance exists	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

FORMS				
Application	ORS 742.003(1)	Application is filed for approval as part of the entire contract as required under ORS 742.003(1) and does not conflict with laws relating to the coverage.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	Bulletin 98-5	Fraud warning - The application is not required to include a fraud warning. (If one is included, it is general in nature and does not state that the applicant is “guilty” of fraud, but that he or she “may be” guilty of fraud.)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 746.620 and ORS 746.630	Privacy - Policy practices and disclosure authorization are provided on the application and include the duration of validity. If authorization and these disclosures are secured on another form, state in the cover letter how they are provided.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Policy period	ORS 742.048	<u>Effective date and time</u> – The insurance commences on the date the debtor becomes obligated to the creditor. The policy states that coverage commences at 12:01 a.m. on the policy’s effective date.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Access to courts	ORS 742.061	<u>Attorney fees</u> – 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.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Appraisal	ORS 742.466(1)	The policy provides that, in the event of a dispute, the insured is authorized to obtain an independent appraisal of the physical damage from a disinterested party.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Arbitration	ORS 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. <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>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Bankruptcy	ORS 742.031	The policy includes a bankruptcy provision similar to that in ORS 742.031.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cancellation & non-renewal	ORS 742.702	Commercial collateral protection cancellation may not be cancelled except for specific grounds as outlined in ORS 742.702(1)(a-h). Cancellation shall not be effective until at least 10 working days after the insured receives a written notice of cancellation. The notice shall state the effective date of and the reason for cancellation and shall inform the insured of the hearing rights established by ORS 742.704	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	OAR 836-085-0001	Commercial collateral protection - Midterm premium increase, non-renewal, or cancellation is not provided for in the policy without justifiable cause	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Cancellation & non-renewal continued	ORS 742.023 & NAIC Model Act*	If the policy provides for renewing the coverage or cancellation, fair notice must be provided. The Insurance Division recognizes fair notice as at least 30 days' written notice, with the reason. Any deviation from the fair notice must be justified. Eligible benefits being paid under a claim cannot be terminated if the master policy is terminated.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Discrimination	ORS 746.230 & NAIC Model Act*	The claims provision does not designate the creditor as the claims representative for the insurer in adjusting claims.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Excess coverage	ORS 742.023	Policy describes the value of add-on coverages.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Fees, service charges, taxes	OAR 836-071-0269 & 0274 ORS 731.808	All charges to the policyholder are listed on the declarations page. Field add-ons are not permitted.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.023	If GAP is included in collateral protection, charges for the GAP coverage are identified to the debtor separately from any other coverage provided.	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 settlement	ORS 742.023	Policy payoff provisions are clearly explained.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	ORS 742.053 OAR 836-080-0225	The policy states that the insurer will furnish a claim form within 30 days after notice of claim or will accept the filing of proof-of-loss covering the occurrence, character, and extent of loss.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Loss valuation	Oregon case law <i>Rossier vs Union Automobile Ins. Co.</i> 134 Or.211, 291 P.498(1930), and <i>Dunmire Motor Co. vs. Oregon Mutual Fire Ins. Co.</i> 166 Or. 690, 114 P. 2d 1005 (1941)	<u>Diminution of value</u> -If the policy does not provide coverage for loss of market value or "diminution of value," the term describing the limitation is specifically defined in the policy.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		The policy provides a separate exclusion stating there is no coverage for diminished value.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Premium payment, refund, or retention	ORS 742.005(2)	The policy clearly defines the cancellation refund method. Refunds must be made within a reasonable time.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Primary coverage	ORS 742.023(f)	Coverage includes a statement of the value of collateral and how determined.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Policy documentation	ORS 742.023 and ORS 742.005(2)	Terms used in describing the coverage are clearly defined. Provisions include a full description of the coverage, including the amount, term, exceptions, limitations, and exclusions.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Based on NAIC Model Act* ORS 742.023	Within 30 days after receiving the individual policy or certificate of insurance, the debtor may cancel the coverage and have all premium paid by the debtor refunded or credited.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Rebates	ORS 746.035 & ORS 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.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
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"/>	
RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS					
Filing submission	ORS 737.205	Copies of rates, rating plans, and rating systems are included in the filing.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		Effective date is not earlier than the date the filing is received by the insurance division.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Fictitious group	ORS 737.600, OAR 836-042-0300 to 0322	If filing a fictitious group for rate purposes, the group meets the requirements of ORS 737.600(2)(b) for mass-marketing plans.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Discrimination	ORS 746.015, OAR 836-081-0010	Rates, rating plans, and rating systems do not discriminate unfairly in the availability of insurance and the application of rates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Loss ratio standards	Position based on NAIC Model Act*	Rate filing includes the appropriate rate formula upon which rates are based, including provision for an anticipated loss ratio of at least 50 percent.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Ratemaking generally	Position based on NAIC Model Act*	Only the lender pays premium costs for repossession, skip/confiscation/conversion, liens, and title misfiling.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Position based on NAIC Model Act* OAR836-071-0269 & 274 and ORS 737.205	Rates are filed as they are actually charged to the consumer, to include all expenses and fees. Field add-ons to the rates are not permitted.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Position based on NAIC Model Act*	If filing commission levels higher than 20 percent, details are provided that explain which company-administration functions have been transferred to agent to cause an increase in commissions. The commission should not exceed 35 percent.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Fees, service charges, taxes	ORS 737.310, OAR 836-010-0021	Cost-accounting justification on initial filings and subsequent changes.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Loss valuation	ORS 737.310, OAR 836-010-0021	Premium data	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		Loss and LAE data	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		Expected loss ratio	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Investment income	ORS 737.310, OAR 836-010-0021	1. Cash flow method OR 2. Alternative method showing amount of investment income earned on loss, LAE, and unearned premium reserve to earned premium.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Rebates	ORS 746.035, ORS 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"/>	
Underwriting profit & contingencies	ORS 737.310, OAR 836-010-0021	1. Oregon data for commission and brokerage.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		2. Countrywide data for general and other acquisition expenses as reported in the <i>Insurance Expense Exhibit</i> .	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		3. Oregon data for taxes, licenses, and fees.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		4. Expense trend.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
		5. Historic experience.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Schedule Rating	ORS 737.205	Schedule rating plan for collateral protection identifies modification criteria and plan modification.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

* The NAIC Model Act that is the primary reference for this class of business is the Creditor-Placed Insurance Model Act