



The Agents' Advocate  
5/1/2024

## **FY: Two Bulletins and a Federal Rule Ban**

The Oregon Department of Consumer and Business Services has issued two bulletins on the same subject, one to insurance agents and one to insurance carriers about truthful communications. Also, the U.S. Federal Trade Commission (FTC) recently announced a final rule imposing a near-universal ban on noncompetes.

### **Bulletin To Agents**

Oregon Department of Consumer and Business Services Division of Financial Regulation  
Bulletin No. DFR 2024-5

To: Insurance producers selling homeowners policies

Date: April 29, 2024

RE: Expectations of insurance producers regarding homeowners insurance underwriting and rating decisions

#### I. Purpose

The purpose of this bulletin is to remind insurance producers about the division's expectation to provide truthful communications to policyholders.

#### II. Authority

- ORS 744.074
- ORS 746.110

#### III. Director's Guidance

The Oregon Insurance Code prohibits any person from making untrue, deceptive, or misleading statements or representations relating to the business of insurance.<sup>1</sup>

According to recent consumer complaints and media reports, some insurance producers may have provided misleading information to policyholders.

Examples include:

- Stating that insurers are not writing new policies for properties within specific ZIP codes, counties, or cities, when in fact carriers are not excluding specific localities; and
- Stating that insurers are not evaluating neighborhoods or individual homes when determining risk and eligibility for insurance, when in fact carriers are making those evaluations. <sup>1</sup>

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<sup>1</sup> Under ORS 746.110, no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or

*placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of the insurance business, which is untrue, deceptive or misleading.*

This inaccurate information may have led to misunderstanding among policyholders and the general public. The Oregon Insurance Code requires that any insurance-related information being conveyed is accurate. If a producer is unsure about these issues, it is recommended they confirm the information with the carriers they represent. Insurers have been directed to provide producers with timely and accurate information about their decisions. See Bulletin No. DFR 2024-6.

It is extremely important consumers receive accurate information about decisions made with respect to their policies. The insurance industry has robust data tools used to make pricing and underwriting decisions that have been in the marketplace for years.

Falsely attributing rating or underwriting decisions is a violation of the Oregon Insurance Code. Insurance producers with questions about the tools and maps used by insurance companies should consult with those companies so that they can accurately relay the factors incorporated into the company's rating and underwriting decisions.

This bulletin takes effect upon publication.

Andrew R. Stolfi  
Insurance Commissioner and  
Director Department of Consumer and Business Services  
04/29/2024

## **Bulletin To Insurance Carriers**

Oregon Department of Consumer and Business Services Division of Financial Regulation  
Bulletin No. DFR 2024-6

To: Insurers writing homeowners policies

Date: April 29, 2024

RE: Expectations of insurers regarding explanations of insurance decisions

### **I. Purpose**

The purpose of this bulletin is to remind insurers of the division's expectation to provide clear and unambiguous communications about insurance decisions and to provide timely information to producers.

### **II. Authority**

- ORS 731.008
- ORS 731.016
- ORS 746.110
- ORS 746.075
- OAR 836-080-0155

### **III. Background**

The Insurance Code prohibits any person from making untrue, deceptive, or misleading statements or representations relating to the business of insurance.<sup>1</sup>

Questions and concerns have been raised about potentially misleading information recently circulating among the general public, such as the following:

- Insurers are not writing new policies for properties within specific zip codes, counties, or cities; and
- Insurers are not evaluating neighborhoods or individual homes when determining risk and eligibility for insurance.

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*1 Under ORS 746.110, no person shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of the insurance business, which is untrue, deceptive or misleading.*

The Insurance Code requires that any insurance related information being conveyed is accurate. Insurance producers have been directed to confirm information with the carriers that they represent.

#### IV. Director's Guidance

It is extremely important that consumers receive accurate information about decisions made with respect to their policies. Historically and currently, robust data tools are used to make pricing and underwriting decisions, and the basis of all rating or underwriting decisions should be accurately communicated. When confronted with questions from either insurance producers or consumers about the tools and data used by insurance companies, insurers should timely and accurately relay the factors that are incorporated into the company's rating and underwriting decisions.

Insurance producers have been directed to confirm homeowners insurance underwriting and rating decisions and rationales with insurers. See Bulletin No. DFR 2024-5.

This bulletin takes effect upon publication.

Andrew R. Stolfi  
Insurance Commissioner and  
Director Department of Consumer and Business Service  
4/29/2024

#### **Federal Rule Ban on Noncompetes**

The U.S. Federal Trade Commission (FTC) recently announced a final rule imposing a near-universal ban on noncompetes once it becomes effective later this year. Read PIA's alert at [FTC Finalizes Ban on Noncompetes – PIA Advocacy Blog](#).

Lana Butterfield  
PIA Oregon Lobbyist  
[lanab@teleport.com](mailto:lanab@teleport.com)  
503/819-5800