

Phase II Proposal #4 Voluntary Loss Control Discounts Proposal**October 25, 2006**

At the September 19, 2006 meeting the Construction Claims Task Force moved to have staff outline suggestions for a draft bulletin concerning voluntary loss control discounts. Proposed language for the bulletin appears below.

Insurance Division Bulletin INS 2007-xx

To: All Insurers

Re: Loss Control discounts for construction contractors.

The Oregon Construction Claims Task Force, which was convened by the 2005 Oregon State Legislature. Several best practices have been identified such as the use of high quality building materials, artisan training, installer education and in-construction inspection programs.

[Drafting note: list will be finalized after CCTF report of final recommendations is complete.]

For rating purposes these recommendations are considered new practices, and the Insurance Division recognizes historical loss experience may not be predictive of future claims for these contractors. Any insurer who offers discounts for contractors adopting, some or all, of the best practices recommendations of the Oregon Construction Claims Task Force will not be required to include statistical support for these discounts in their filings with the Department of Business and Consumers under ORS 737.205 and ORS 737.310.

Insurers are expected to collect and maintain data as required under ORS 737.230 to support and update their filed discounts when this bulletin expires or is withdrawn.