

Phase II Proposal #5 Data Reporting Requirements Proposal

December 8, 2006

At the November 28, 2006 meeting the Construction Claims Task Force moved to have staff outline suggestions for the Oregon Insurance Division to be given the authority to require a data call for construction contractor liability insurance coverage.

Policy Statement: In order to review and monitor the effectiveness of the Task Force recommendations, the Insurance Division will develop a set of data items to be reported by insurers on an as needed basis.

The Insurance Division would determine the required data elements to be reported in collaboration with contractor liability insurers, including those in the surplus lines, and other industry representatives, including contractors and consumer representatives based upon the input and guidance from a task force or other advisory group. The data elements may include the gross premium written, contractor policy counts, paid losses, case reserves or other metrics as determined to be necessary to monitor the availability or affordability of contractor liability insurance for the market segments specified. The areas targeted by the task force and those segments identified as experiencing difficulty in the liability insurance market may also serve as a guide.

The data may be collected going forward or on a limited historical basis. The costs of insurer programming and the cost for state agencies to collect and monitor the data reported should be considered relative to the expected benefit, which the information will provide.

The purpose of any data collected would be to monitor the effectiveness of the actions of the CCTF on construction defect liability claims as well as the effect on the availability and affordability of contractor liability insurance.

DCBS currently has the authority to call for data on a targeted request. However, this proposal would require a statutory change if a report were to be required on a regular ongoing basis.