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PERMANENT ADMINISTRATIVE ORDER

DMV 28-2026

CHAPTER 735
DEPARTMENT OF TRANSPORTATION
DRIVER AND MOTOR VEHICLE SERVICES DIVISION

FILED: 08/13/2026 8:50 AM
ARCHIVES DIVISION SECRETARY OF STATE & LEGISLATIVE COUNSEL

FILING CAPTION: Financial Responsibility Law, Beliefs That Do Not Constitute a Reasonable and Good Faith Belief

EFFECTIVE DATE: 08/13/2026

AGENCY APPROVED DATE: 08/13/2026

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AMEND: 735-050-0064

RULE TITLE: What Does Not Constitute “Reasonably and in Good Faith”

NOTICE FILED DATE: 05/26/2026

RULE SUMMARY: DMV proposes to amend Oregon Administrative Rule (OAR) 735-050-0062 to provide clearer guidance on what does not constitute a reasonable and good faith belief regarding financial responsibility requirements. The amendments add an example specifying that a belief based on ignorance of the financial responsibility law does not meet this standard. DMV is also revising to improve clarity, organization, and overall readability.

RULE TEXT:
(1) Examples of beliefs that do not constitute a reasonable and good faith belief of compliance with financial responsibility requirements include, but are not limited to, any of the following:
(a) Belief that a vendor’s single interest (VSI) or other policy issued by a dealer or financing institution provides motor vehicle liability coverage. That policy or its declarations must clearly state that it does not provide motor vehicle liability insurance, does not meet financial responsibility requirements or contain some other similar statement.
(b) Belief by a person who is not yet 21 years of age, not attending school or not in military service, and not residing with a parent that he or she is covered by a parent’s policy.

(c) Belief by a person that a policy meets the requirements of the financial responsibility law when the person has not read the policy declarations and limitations.
(d) Belief that a policy is still in force because of non-receipt of a notice of cancellation, unless the person presents substantial evidence showing that the insurance company did not meet the notification requirements for cancellation found in ORS Chapter 742.
(e) Belief that a spouse or partner in a domestic partnership must have paid an insurance premium because the spouse or partner normally pays all bills.
(f) Belief based only upon an insurance carrier's or insurance producer's (agent) representation after an accident has occurred when, at the time of the accident, the person did not reasonably and in good faith believe that they were in compliance.
(g) Belief based on ignorance of the financial responsibility law.
(2) The Driver and Motor Vehicle Services Division of the Department of Transportation will use the examples in section (1) of this rule as guidelines in making decisions regarding whether to terminate requirements for a future responsibility filing and rescind any corresponding suspension notice or suspension, as described in OAR 735-050-0060. DMV reviews evidence and makes determinations on a case-by-case basis.

STATUTORY/OTHER AUTHORITY: ORS 184.619, 802.010

STATUTES/OTHER IMPLEMENTED: ORS 806.245, 809.380, 809.440, 809.450