

Senate Bill 207

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires insurance company to receive return receipt when canceling or terminating certain types of insurance by electronic record.

A BILL FOR AN ACT

1
2 Relating to electronic records involving insurance; creating new provisions; and amending ORS
3 84.070.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 84.070 is amended to read:

6 84.070. (1) As used in this section:

7 (a) "Consumer" means:

8 (A) An individual who obtains, through a transaction, products or services that are used pri-
9 marily for personal, family or household purposes; and

10 (B) The legal representative of the individual.

11 (b) "Electronic record," "information" and "transaction" have the meanings given those terms
12 in ORS 84.004.

13 (2) Notwithstanding ORS 84.001 to 84.061, if a statute, rule or other rule of law requires that
14 information relating to a transaction be provided or made available to a consumer in writing, the
15 use of an electronic record to provide or make available, whichever is required, the information
16 satisfies the requirement that the information be in writing if:

17 (a) The consumer has affirmatively consented to the use of the electronic record and has not
18 withdrawn the consent;

19 (b) The consumer, before consenting, is provided with a clear and conspicuous statement:

20 (A) Informing the consumer of:

21 (i) Any right or option of the consumer to have the record provided or made available on paper
22 or in other nonelectronic form; and

23 (ii) The right of the consumer to withdraw the consent to have the record provided or made
24 available in an electronic form and of any conditions, consequences, which may include termination
25 of the parties' relationship, or fees in the event of the withdrawal of the consent;

26 (B) Informing the consumer of whether the consent applies:

27 (i) Only to the particular transaction that gave rise to the obligation to provide or make avail-
28 able the record; or

29 (ii) To identified categories of records that may be provided or made available during the course
30 of the parties' relationship;

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (C) Describing the procedures the consumer must use to withdraw consent as provided in sub-
2 paragraph (A) of this paragraph and to update information needed to contact the consumer elec-
3 tronically; and

4 (D) Informing the consumer:

5 (i) How, after the consent, the consumer may, upon request, obtain a paper copy of an electronic
6 record; and

7 (ii) Whether any fee will be charged for the paper copy of an electronic record;

8 (c) The consumer:

9 (A) Before consenting, is provided with a statement of the hardware and software requirements
10 for access to and retention of the electronic records; and

11 (B) Consents electronically, or confirms the consent electronically, in a manner that reasonably
12 demonstrates that the consumer can access information in the electronic form that will be used to
13 provide the information that is the subject of the consent; and

14 (d) After the consent of a consumer in accordance with paragraph (a) of this subsection, if a
15 change in the hardware or software requirements needed to access or retain electronic records
16 creates a material risk that the consumer will not be able to access or retain a subsequent elec-
17 tronic record that was the subject of the consent, the person providing the record:

18 (A) Provides the consumer with a statement of:

19 (i) The revised hardware and software requirements for access to and retention of the electronic
20 records; and

21 (ii) The consumer's right to withdraw consent without imposition of any fees for the withdrawal
22 and without the imposition of any condition or consequence that was not disclosed under paragraph
23 (b)(A) of this subsection; and

24 (B) Again complies with paragraph (c) of this subsection.

25 (3)(a) Nothing in ORS 84.001 to 84.061 affects the content or timing of any disclosure or other
26 record required to be provided or made available to any consumer under any statute, rule or other
27 rule of law.

28 (b) If a law enacted before October 1, 2000, expressly requires a record to be provided or made
29 available by a specified method that requires verification or acknowledgment of receipt, the record
30 may be provided or made available electronically only if the method used provides verification or
31 acknowledgment of receipt, whichever is required.

32 (4) The legal effectiveness, validity or enforceability of any contract executed by a consumer
33 may not be denied solely because of the failure to obtain electronic consent or confirmation of
34 consent by that consumer in accordance with subsection (2)(c)(B) of this section.

35 (5) Withdrawal of consent by a consumer may not affect the legal effectiveness, validity or
36 enforceability of electronic records provided or made available to that consumer in accordance with
37 subsection (2) of this section before implementation of the consumer's withdrawal of consent. A
38 consumer's withdrawal of consent shall be effective within a reasonable period of time after receipt
39 of the withdrawal by the provider of the record. Failure to comply with subsection (2)(d) of this
40 section may, at the election of the consumer, be treated as a withdrawal of consent for purposes of
41 this subsection.

42 (6) If a statute, rule or other rule of law requires that information relating to a transaction be
43 provided or made available to a consumer in writing, an oral communication or a recording of an
44 oral communication may not qualify as an electronic record for purposes of this section except as
45 otherwise provided under applicable law.

1 (7) Subsections (2) to (6) of this section do not apply to any records that are provided or made
 2 available to a consumer who has consented before June 22, 2001, to receive such records in elec-
 3 tronic form as permitted by any statute, rule or other rule of law.

4 (8) Notwithstanding ORS 84.001 to 84.061, if a statute, rule or other rule of law requires that a
 5 contract or other record relating to a transaction be provided or made available to a consumer in
 6 writing, the legal effectiveness, validity or enforceability of an electronic record of the contract or
 7 other record may be denied if the electronic record is not in a form that is capable of being retained
 8 and accurately reproduced for later reference by all parties or persons who are entitled to retain
 9 the contract or other record.

10 **(9) In addition to the requirements of subsection (2) of this section and subject to sub-**
 11 **section (10)(c) of this section, an electronic record providing or delivering notice of the can-**
 12 **cancellation or termination of insurance satisfies the requirement that the information be**
 13 **provided or made available to a consumer in writing if the insurance company sends notice**
 14 **to the consumer with a request for a return receipt and the insurance company receives a**
 15 **return receipt. If the insurance company does not receive a return receipt, the insurance**
 16 **may be canceled or terminated only after providing or delivering the notice in writing to the**
 17 **consumer.**

18 [(9)] (10) Nothing in ORS 84.001 to 84.061 authorizes using an electronic record to provide or
 19 deliver any notice of:

20 (a) The cancellation or termination of utility services, including water, heat and power;

21 (b) Default, acceleration, repossession, foreclosure or eviction, or the right to cure, under a
 22 credit agreement secured by, or a rental agreement for, a primary residence of an individual;

23 (c) The cancellation or termination of health insurance or benefits or life insurance benefits,
 24 excluding annuities; or

25 (d) Recall of a product, or material failure of a product, that risks endangering health or safety.

26 [(10)] (11) ORS 84.001 to 84.061 do not apply to any document required to accompany any
 27 transportation or handling of hazardous materials, pesticides or other toxic or dangerous materials.

28 **SECTION 2. The amendments to ORS 84.070 by section 1 of this 2005 Act apply to notices**
 29 **of insurance cancellation or termination sent on or after the effective date of this 2005 Act.**

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