

March 5, 2019

Senate Committee on Judiciary  
900 Court St. NE,  
Salem, OR 97301

Dear Chair Prozanski, Vice-Chair Thatcher and Members of the Committee;

For the past seven years, I have been a senior claims adjuster at Oregon Mutual a McMinnville-based company that has been serving Oregonians' personal, commercial and agricultural needs for over 125 years. I have been in the insurance industry, in both Canada and the United States, for the past 31 years. I am an advocate for fair, honest and ethical dealings.

With Oregon Mutual, we refer to our customers as members and we treat them with dignity, compassion and respect in our efforts to meet their insurance needs. That means finding them the best coverage for the best price. To that end, we pay attention to legislation that we believe will negatively impact our members and the rates they pay which is why we ask this committee to vote NO on SB 728.

This bill is unnecessary and disregards the strong consumer protections for consumers already in place.

If an insurance company acts in bad faith, they are held accountable under Oregon law by the Department of Consumer and Business Services (DCBS). Insurers are required to treat their policyholders fairly and settle claims in a timely manner. Should a problem arise, consumers can seek recourse in a court of law or through the Oregon Division of Insurance. In fact, current Oregon law allows DCBS to seek restitution for any damages a consumer suffers if an insurer violates the state insurance code. This is a fast, fair, and affordable way to protect consumers.

SB 728 will also usher in an area of frivolous lawsuits that have driven up premium costs in other states. Insurers will face "second suits" from claimants, accusing insurers of unfair claims settlement practices whenever an insurer contests questionable or fraudulent claims. SB 728 was written by plaintiffs' lawyers to provide them with leverage to increase settlements in all types of insurance claims. Insurance premiums skyrocketed by up to 53% in California during the decade when the law allowed filing two lawsuits for the same claim – one against a party for damages and another against their insurer for "bad faith."

SB 728 will not result in increased protections for consumers but it will result in increased insurance costs for all Oregonians. For our members and all Oregon consumers, please vote NO on SB 728.

Sincerely,

Barbara Cohan