

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;

I encourage you to oppose SB 728.

I have worked in the Oregon insurance market for over eight years and I can tell you that Oregon already has strong laws and regulations that protect consumers in the event of an insurance dispute and its insurance department is well regarded as the one of the best in the nation.

If an insurance company acts in bad faith, they are held accountable under Oregon law by the Department of Consumer 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 upend this process. It will create a contentious, cumbersome process that requires DCBS to investigate all insurance complaints while shifting costs of "discovery" from attorneys for plaintiffs and defendants to Oregon taxpayers. Perhaps most alarmingly, this bill will allow lawyers to file two lawsuits on single insurance claim – one against the defendant for damages, and one against the defendant's insurance company for claims handling procedures. by imposing new disclosure requirements on DCBS in claims disputes.

The end result of this will not result in increased protections for consumer but it will result in increased insurance costs for all Oregonians. Other states that have passed similar legislation have seen massive increases in frivolous lawsuits and insurance costs. While trial lawyers may stand to benefit financially from this bill, average Oregonians will not.

I am proud to be part of Oregon's competitive insurance market that today offers consumers and small businesses some of the lowest auto & property insurance rates in the nation. Please preserve what is working and oppose SB 728.

Sincerely,

A handwritten signature in black ink, appearing to read "K. L. L.", is written below the text.