

Chair Holvey, Vice-Chairs Bonham and Grayber, and members of the committee:

I am writing to ask you to please oppose House Bills 3171 and 3272.

I have owned an insurance business, Health Source NW, since 2004. Health Source NW is an Independent Insurance agency focusing on Medicare, Health, Dental, and Short-Term Medical. I am particularly passionate about providing health insurance to Oregonians, and am dedicated to helping consumers find the best options for their long term needs and help.

With my 15+ years of experience in this industry, I believe strongly that House Bills 3171 and 3272 would be bad for Oregon. First, these bills try to solve a problem that doesn't exist. Oregon has strong protections in place to protect consumers. The insurance division can investigate any claims where a policyholder feels wronged, and if they determine an insurance provided acted inappropriately, they can hold them accountable by ordering them to pay claims, restitution, and fines. If the policyholder does not agree with the findings of this investigation, they have every right to file in court. These laws were strengthened in 2013 through Senate Bill 414, which allows Oregon's Department of Consumer and Business Services to directly pursue restitution for any damages a consumer suffers if an insurer violates the state Insurance Code.

This system and these protections are proven and effective for Oregonians – and they agree. The vast majority of Oregon voters feel adequately protected under current consumer protection laws.

What House Bills 3171 and 3272 would do instead is move away from our proven system to a one that encourages overlitigation by creating new causes of action, letting lawyers file additional lawsuits for how a claim was handled and also on behalf of non-policyholders for how claims were resolved. This policy, known as "bad faith" litigation, has been associated with significant increases in the cost to resolve claims – and higher premiums – when adopted in other states.

Oregonians cannot afford increased insured rates right now. Too many are struggling to recover from the economic impacts of the COVID-19 pandemic. Please oppose House Bills 3171 and 3272.

Sincerely,

Lisa Lettenmaier