



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

My name is Roger Helbling and I am the Executive Director of The Surplus Line Association of Oregon. On behalf of the Association, I urge you to vote NO on House Bills 3171 and 3272.

The Surplus Line Association of Oregon is a non-profit corporation that has been supporting the insurance industry and the DCBS since 1939. Our current membership consists of over 125 surplus line producers. If you are not familiar, surplus lines insurance is used when coverage is not available from insurance companies licensed in the state of Oregon. We handle all types of Oregon consumers and businesses like contractors, retail including restaurants/bars/taverns, logging & lumbering, agriculture and fishing, transportation, professionals like engineers, architects, and healthcare, cannabis industry, and public entities like cities, counties, and the state. We are often the last resort for earthquake and flood insurance, privacy and identity theft, and wildfire insurance. The majority of our members are small businesses, who work hard to serve their individual insureds and their small business clients and adapt to changing legislation in their industry.

There are two pieces of legislation this session that I hope insurance consumers will not be required to adapt to, and those are House Bills 3171 and 3272. These bills would radically revise how insurance claims in Oregon are handled at the worst possible time – as Oregonians and small businesses continue to face the financial and lifestyle challenges associated with the COVID-19 pandemic and the tragic fires that devastated OR.

Insurers and insurance producers are already closely regulated by one of the nation's best-run insurance departments under a thoughtfully-developed insurance code. These bills would add insurance to the Unfair Trade Practices Act and add an additional layer of regulation by the Attorney General. In addition, insurers will face "second suits" often called private right of

action from claimants accusing insurers of unfair claims settlement practices. Oregon insurers are currently regulated by an Unfair Claim Practices Act that is enforced by the insurance department.

California is a great example. Over the decade when California allowed lawsuits similar to those that 3171 and 3272 will foster, litigation, and handling costs rose dramatically. Premiums for bodily injury coverage increased as much as 50%. Once the legislation was repealed, the spikes in premiums declined dramatically.

As someone who works in the industry every day, I believe strongly that our current system is working for both consumers and insurers. We have strong protections in place at the state level, and our insurance division is empowered to investigate any claims where a policyholder feels they were treated unfairly.

Bills just like these were rejected in 2017 and 2019 for good reason. They will disrupt our system, potentially raise rates for Oregonians, and move toward a more litigious approach instead of the proven approach we have now.

I urge you to take the same action that was taken in 2017 and 2019 and oppose House Bills 3171 and 3272. Consumers are struggling with the impact of the pandemic and wildfires. Our current system of regulation works. Please do not saddle Oregonians with more regulation, more litigation and higher insurance costs. Thank you for voting NO on 3171 and 3272.

Roger Helbling, CPCU, ARM  
Executive Director  
The Surplus Line Association of Oregon