

ELLEN F. ROSENBLUM
Attorney General

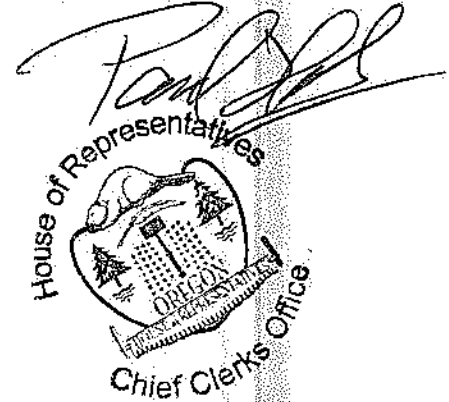


LISA UDLAND
Deputy Attorney General

DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

From the Desk of
Representative Paul Holvey

DATE: March 1, 2023
TO: Representative Paul Holvey, Chair
House Committee on Business and Labor
FROM: Kate Denison, Deputy Legislative Director
Oregon Department of Justice
SUBJECT: Consumer Protection and Insurance



This testimony is presented in support of HBs 3242 and 3243.

Background

Attorney General Ellen Rosenblum and the Oregon Department of Justice support measures to increase consumer protections in insurance transactions.

The Oregon Department of Justice is committed to ensuring a safe and fair marketplace in Oregon. We help consumers with complaints, we prevent fraud, and we invest in consumer education. The Attorney General is also a primary enforcer of the Oregon Unlawful Trade Practices Act, Oregon's consumer protection statute. Oregon and every other state have one of these laws, referred to as Unfair and Deceptive Acts and Practices (or "UDAP") laws, which generally prohibit deceptive practices in consumer transactions.

The private right of action under Oregon's UTPA, found in ORS 646.608, is one tool consumers can use to recover damages that occur as a result of deceptive sales or business practices. Without this tool, consumers may have no right to redress, and businesses are incentivized to violate the law.

The UTPA extends to most consumer transactions, including real estate, loans and extensions of credit. Notably, Oregon and 21 other states currently exempt the insurance industry entirely from their UDAP statutes. The Department has received at least 550 complaints against insurance companies since 2015. These complaints were all referred to the Department of Consumer and Business Services for further action.

Oregon's Insurance Code, enforced by the Department of Consumer and Business Services, provides important protections for consumers in insurance transactions. Notably, the Unfair Claim Settlement Practices Act in ORS 746.230 prohibits certain conduct by insurance companies in the

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