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March 1, 2023

TO: House Business and Labor Committee

Re: **House Bill 3242**

Mr. Chair and Members of the Committee:

My name is Patrick O'Keefe of Cascade Insurance Center in Bend, Oregon. Please oppose HB 3242. It is the wrong answer for Oregon at the wrong time.

This bill authorizes secondary lawsuits over claim resolution, allows for triple award damages, and allows for inclusion of insurers and individual insurance agents in lawsuits. HB 3242 risks raising insurance costs for families and local small businesses; here's what has happened when similar legislation has been enacted in other states.

Washington

According to the Insurance Research Council, when Washington passed similar legislation allowing "bad faith" lawsuits, homeowner insurance claims costs in the first two years were estimated to be \$190 million higher than they would have been without the law. (*"The Impact of First-Party Bad-Faith Legislation on Key Insurance Claim Trends in Washington State"*, March 30, 2011)

Florida

According to the Florida Office of Insurance Regulation, in 2020, Florida accounted for 79% of homeowners' insurance lawsuits nationwide while accounting for only 9% of the nation's homeowners' insurance claims. Now the Florida Legislature is looking at curtailing bad faith lawsuits against insurers because of how much the policy has expanded litigation.

My customers are struggling to afford the cost of living between housing, groceries, and medicine. As an industry, we are working hard to keep our customers rates affordable and urge the Legislature to not enact any policies that may risk raising rates.

Please oppose HB 3242. Thank you for your consideration.

Sincerely,

Patrick O'Keefe
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