



ISU Insurance Services The Stratton Agency

March 1, 2023

Subject: **Strong Opposition to HB 3242**

House Business and Labor Committee

Dear Mr. Chair and Members of the Committee:

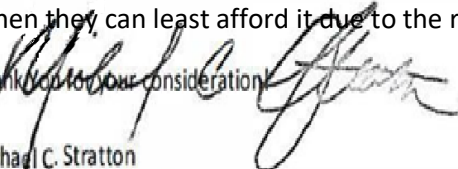
As Chief Executive Officer of Stratton Insurance Services, Inc., which does business in The Dalles, Hermiston, Pendleton and La Grande, Oregon offices, we wish to voice our opposition to HB 3242. This bill would authorize secondary lawsuits over claim resolution, a policy that when implemented in other states has greatly expanded litigation in resolving insurance claims and led to higher insurance costs for customers.

We have been in the insurance business for 37 years now. We care deeply about our insurance clients. Studies show authorizing secondary lawsuits regarding the resolution of claims has negatively impacted insurance rates in other states that adopted them by making claims harder to resolve, increasing investigation and litigation costs, and encouraging frivolous claims.

Florida, for example, is currently taking steps in their Legislature to curtail bad faith lawsuits against insurers because the statute has led to an explosion of litigation. In 2020, Florida accounted for 79% of homeowners' insurance lawsuits nationwide while accounting for only 9% of the nation's homeowners' insurance claims. (Citation: Florida Office of Insurance Regulation, July 2022)

Higher litigation costs to resolve claims drives up insurers' overhead, creating strong pressure to increase premiums. That means the potential for higher insurance costs for many Oregonians at a time when they can least afford it due to the rising cost of living. Please vote no on HB 3242.

Thank you for your consideration.


Michael C. Stratton
Chief Executive Officer

435 SW Dorion Avenue
Pendleton OR 97801

Telephone: 541.276.2302
Fax: 541.276.1055

www.stratton-insurance.com
stratins@stratton-insurance.com