



March 1, 2023

House Committee on Business and Labor

**RE: Opposition to HB 3242**

Mr. Chair and Members of the Committee:

The Professional Insurance Agents of Oregon (PIA) is a statewide trade association of independent insurance agents. PIA is opposed to HB 3242.

Proposed legislation allowing secondary or “bad faith” lawsuits against insurers for how a claim was resolved has been repeatedly rejected in past sessions – and for good reason. One of the top reasons is that Oregon currently has a strong system in place for consumers to bring a lawsuit or file a complaint with the state’s insurance commissioner if they feel they have been treated unfairly. Oregon’s insurance division (DCBS) can order insurers to pay claims, as well as require restitution and levy fines against insurers that act in bad faith, as well as taking agents’ licenses.

In fact, insurers and agents are already regulated by some of the toughest consumer protection laws in the country. On behalf of consumers, the state can:

- Deny excessive rates or unfair policies proposed by insurers;
- Investigate claims if consumers believe a claim was handled improperly;
- Demand that insurers pay claims fairly;
- Order restitution to a policyholder above the amount of the original claim;
- Levy fines against insurers and agents; and
- Revoke insurers’ and agents’ licenses to do business in Oregon in the most extreme cases.
- Agents can already be sued under their errors and omissions insurance policies, but this bill may force them to deal with many more lawsuits.

PIA’s member agents work hard to get the lowest rates possible for their customers, and given the competitiveness of the insurance market, that is in all our best interest. Legislation like this, which risks disrupting the insurance market and raising rates for Oregonians, is unnecessary and would come at the worst time.

Please vote no on HB 3242. Thank you.

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