

Chair Prozanski, Vice Chair Thatcher, Members of the Committee,

Please accept this testimony in opposition to House Bills 3242 and 3243. My name is Mel Bowser of Mel B's Insurance Solutions. Although insurance isn't top of mind for most Oregonians, it is my focus every day. Myself and agents around the state work hard to help people be protected against bad fortune and disaster. It is a complex market and I'm proud of what I can do to help people navigate it. Similarly, I am submitting this today to help you better understand the implications of HB 3242 and 3243 and how they will impact insurance coverage in Oregon. No one, whether it is the insurer, agent, or policyholder wants to collect a claim on a policy. It means something went wrong and now we are trying to help resolve the matter. As you can imagine, it means a lot to have prompt and fair resolution when people are trying to get their lives back together. And generally we find insurers do a good job with this when it comes to our customers. These bills deal with the cases where things didn't go well and people aren't happy with the claims process. I appreciate why the idea of bringing a lawsuit sounds appealing, but I also appreciate how that will impact our customers and potentially the costs of their premiums. The truth is that we already have strong regulations and enforcement to bring to bear when a claim is not treated fairly. The insurance commissioner's office can investigate claims, levy fines, and require restitution for wrongdoing. And importantly, administrative processes can move quickly when needed. Court processes, on the other hand, can drag on for years as attorney fees and litigation costs pile up. This is even more so the case in recent years with the COVID related backlog in our courts. And there is no certainty about resolution, leaving policyholders in limbo while all of this plays out. We can see from other states that have authorized bad faith litigation how this also impacts claims resolution, shifting it to an adversarial process that slows things down and drives up costs. Indeed, studies of other states like Washington and Florida show how this has negatively impacted premiums. I urge you to think very carefully about taking a step down this road and upsetting our current insurance market. Oregon has a lot to be said for it when it comes to affordable, efficient insurance and hasty legislative action can do a lot of damage if it isn't careful. Thank you and please vote no on HB 3242 and 3243.

Mel Bowser

Mel B's Insurance Solutions