



June 18, 2025

## Five Reasons to Vote NO on SB 174

SB 174A proposes to allow lawsuits against insurance companies from a multitude of sources, not just for egregious or intentional conduct, but for minor – even trivial and accidental – insurance code violations. At a time when thousands of Oregonians have lost insurance coverage due to wildfire risk and the cost of homeowners' insurance has skyrocketed, SB 174A threatens to make Oregon's property insurance market look more like *California*.

Here are five reasons to vote NO on SB 174A.

### 1. Higher insurance premiums for Oregon consumers.

A [2025 Milliman study](#) shows that passage of SB 174A could cost Oregon consumers up to **\$1.4 billion**, or an estimated **increase in premiums of 7-16%**. Consumers in parts of Oregon have already lost or can no longer afford home insurance, and a record number people have been forced to seek coverage through the Oregon FAIR Plan – the insurer of last resort for home and business owners (policies there increased by 46% last year).

### 2. Access to health care for Oregonians threatened.

Amendments added to SB 174A were intended to *exempt* medical malpractice insurance from the bill – but the “fix” is incomplete and could lead to significant additional liability exposure for health care providers, impacting the availability and cost of insurance – and threatening access to health care across Oregon.

### 3. Workers' Comp: recovery delays for workers; higher costs for employers.

**SB 174A does NOT exempt workers' compensation insurance** from exposure to liability. Oregon's workers' compensation system, which was saved by the Mahonia Hall reforms in the early 1990's, works in part because “exclusive remedy” provisions ensure that injured workers will be treated fairly in their recovery from workplace injuries and that cases won't drag out into protracted court proceedings. Exclusive remedy is **eliminated** by SB 174A, threatening efficient recoveries for injured workers and significantly higher costs for employers.

### 4. Cost/availability impact on affordable housing and child-serving organizations.

Organizations that build and run affordable housing programs already face challenges finding/maintaining property insurance, as do childcare centers, schools and other organizations that provide help to children and families in need. Increasing liability for insurers increases costs that could further disrupt an insurance market that is already profoundly challenged.

### 5. Oregon's statutes, case law and right to restitution *already protect* consumers.

Oregon's Division of Financial Regulation (DFR, under DCBS) has the authority to investigate insurers, issue fines and even revoke an insurance company's certificate to write/sell insurance in Oregon. But DFR/DCBS is *also* empowered to investigate consumer complaints and order insurers to pay restitution to consumers for insurance code violations. Oregon's Supreme Court also recently expanded access for consumers to seek recovery through “bad faith” lawsuits against insurers. These and other current laws, rules and case law serve Oregon consumers **today**, and raise the question why SB 174A is needed when the negative impacts are considered.