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On Behalf Of: Oregon insurance consumers
Committee: House Committee On Rules
Measure, Appointment or Topic: SB174

Oregon Consumers Support SB 174

My testimony is based on 30 years reviewing insurance rates and forms for DCBS and prior working at Standard Insurance. While scheduling conflicts prevented my attendance at the hearing this morning, I can now clear up some inconsistencies in the industry testimony.

One of the examples used in the past for the need of this legislation, was an Oregon widow denied life insurance benefits. The lower courts sided with the insurance industry. She was forced to go to the Oregon Supreme Court to receive agreement that she should be able to recover benefits for bad faith claim settlements. Most attorneys do not wish to fight an insurance company with little hope of compensation.

This now even more important, with existing Oregon laws not having to be enforced by the privatization in Oregon to the regulatory product approval compact. Individual life insurance rates are not reviewed by the IIPRC contrary to existing Oregon laws. DCBS responded to the legislature that the compact product standards would be substantially the same. This does not appear to be correct, and the life insurance industry is currently writing their own new regulations. The legislature should request a new study on the liprc product requirements for life, annuities, disability and numerous concerns on long term care insurance provisions and multiple rate increases causing lapses in coverage when seniors need the benefits the most.

Compliments to DCBS employees for handling the numerous industry complaints. The high amounts of recovery, should scream, consumers need more options to fight unfair claim decisions. Oregon appears to have lower fines and penalties compared to our neighboring states of Washington and California, with elected insurance commissioners.

Why is the insurance industry so afraid of local court reviews? Please pass SB 174, and let's find out.