



June 24, 2025

To: House Committee On Rules
Re: Testimony in Opposition of SB 174A
From: Deanna Palm, Washington County Chamber of Commerce

Chair Bowman and Members of the House Committee on Rules,

On behalf of the Washington County Chamber of Commerce, I am writing to express our strong opposition to House Bill 174 A.

As you know, the cost of doing business in Oregon continues to rise, and our members, ranging from small family-run shops to major employers, are feeling the pressure. Insurance is a critical component of stability and security for every business, and unfortunately, HB 174 A threatens to make that essential tool more costly and less reliable.

Supporters of HB 174 A claim the bill simply brings the insurance industry into alignment with others by subjecting it to the Unlawful Trade Practices Act (UTPA). In reality, HB 174 A does much more. It allows violations of the Unfair Claim Settlement Practices Act to serve as the basis for lawsuits under the UTPA, thereby enabling third-party lawsuits against insurers in addition to any existing legal actions. This could result in a single claim generating two separate lawsuits: one against the at-fault party and another against the insurer. A study by Milliman projects this change could raise insurance premiums by 7% to 16%, costing Oregon consumers up to \$1.4 billion. That's a financial strain many businesses simply cannot absorb.

We are especially concerned about how the bill may impact Oregon's workers' compensation system. Without an explicit exemption for worker's compensation, HB 174 A could potentially undermine the exclusive remedy provision that has served as the foundation of Oregon's nationally recognized system. By bringing workers' compensation insurance under the scope of

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the UTPA, HB 174 A undermines the exclusive remedy provision that has served as the foundation of Oregon's nationally recognized system. This provision ensures that injured workers are covered regardless of fault, through a streamlined process that protects both employees and employers. If passed, this bill could destabilize that system, resulting in increased litigation, reduced efficiency, and higher costs for all involved.

Oregon already has strong protections in place. The Insurance Division has the authority to investigate complaints, order restitution, and penalize insurers who engage in bad faith practices. HB 174 A duplicates this oversight with costly and time-consuming litigation, adding unnecessary complexity and uncertainty at a time when businesses and families are grappling with rising costs.

We share the goal of holding insurers accountable, but this bill is not the right solution. For the sake of businesses across Oregon who rely on affordable, predictable insurance, including the critical workers' compensation system, we respectfully urge you to vote no on HB 174 A.

Thank you for your consideration and for your service to our community.

Sincerely,

Deanna Palm

A handwritten signature in black ink, appearing to read "Deanna Palm". The signature is fluid and cursive, with the first name "Deanna" and the last name "Palm" clearly distinguishable.

President and CEO

Washington County Chamber of Commerce

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