



Oregon Citizens' Utility Board

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June 24, 2025

To: Chair Bowman, Vice-Chair Drazen, Vice-Chair Pham, and members of the House Committee on Rules

From: Jennifer Hill-Hart, Policy & Program Director, Oregon Citizens' Utility Board (CUB)

Re: CUB Supports SB 174 A

The Oregon Citizens' Utility Board (CUB) is a statewide nonprofit consumer advocacy organization developed by citizens' initiative in 1984. CUB advocates for utility-related regulations and policies that protect Oregonians. SB 174 A is a commonsense bill that ensures the insurance industry is held just as accountable as other industries in Oregon.

As a statewide consumer advocate, CUB supports this bill. In this session, legislators have heard the heartbreaking and, frankly, maddening stories of victims of wildfires unable to be made whole after losing property to wildfire. Many must jump through hoops, somehow account for the many household items destroyed, including items that hold sentimental value and are irreplaceable. Having to deal with the burden and stress of battling your insurance company, while struggling to make ends meet and navigating temporary housing is unacceptable. SB 174 sends the message that unnecessary delays, insufficient coverage, and other unethical tactics that harm Oregonians, like victims of wildfires, will not be tolerated. And it is only fair that these businesses are held to the same standards as other businesses in Oregon.

This bill only impacts companies that break the law by using deceptive sales or business practices. **Those who follow the law and do not use deceptive sales or business practices will not see any change in operations or costs.** Other states have insurance under their state UTPA/UDAP and they all still have insurance companies that offer services in their state (see Texas).¹

Citing data industry data supplied to the National Association of Insurance Commissioners as well as S&P Global data published by the trade publication *Property Insurance Report*, testimony from the Consumer Federation of America testified shows how the insurance industry is taking advantage of Oregon insurance payers without the consumer protections offered by SB 174 A:

¹¹ National Consumer Law Center, *Consumer Protection in the States: A 50-State Evaluation of Unfair and Deceptive Practices Laws*, Appx. C, 86 (available at: <https://www.nclc.org/resources/how-well-do-states-protect-consumers/>) ("The Texas UDAP statute explicitly provides that a violation of the state unfair insurance practices act is actionable as a UDAP violation. The Texas Supreme Court has applied the state UDAP statute to insurance transactions. See *Progressive County Mut. Ins. Co. v. Boyd*, 177 S.W.3d 919 (Tex. 2005); *Stewart Title Guar. Co. v. Aiello*, 941 S.W.2d 68, 72 (Tex. 1997)).

Even when you include the wildfire losses from 2020, insurance industry profits across all property and casualty lines in Oregon have been 23% higher than the industry earns nationwide over the past decade...Just to put a number on this, in 2022 alone, even before you count the investment income insurers made on the surplus they hold, insurance companies pocketed more than \$740 million in net profit from Oregon policyholders.²

Wildfire risk to property is a reality for many Oregonians. SB 174 A protects Oregonians from bad acts from these important service providers. It will prevent insurers from exploiting Oregonians and ensure they get the appropriate payouts they are due. Ensuring that insurance companies act ethically is in all our interests. Please support SB 174 A and support our neighbors who are unnecessarily suffering from bad actors in the insurance industry.

Thank you for your time and consideration.

² <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/217205>