



NW Insurance Council



February 18, 2026

To Members of the Oregon House of Representatives:

From the desk of
Rep. Virgle Osborne
House District 2

Virgle Osborne

The **Northwest Insurance Council**, the **National Association of Mutual Insurance Companies** and the **American Property & Casualty Insurance Association** – whose member insurance companies collective underwrite the vast majority of home, auto and business insurance in force in Oregon, strongly **oppose HB 4098**. The bill poses a significant risk of worsening, not improving, the stability of the insurance market for Oregon consumers.

We must also share that an amendment included in the bill by the Commerce and Consumer Protection Committee prior to passage last week does NOT adequately guard against “third party lawsuits” filed against insurance companies, and threatens to dramatically expand lawsuits and litigation costs, which contribute to the rising cost of insurance.

Here's what we'd like you to know:

- Last week, this bill was moved out of committee after adoption of the -1 amendment. We were told that amendment would address concerns about third-party lawsuits. But on the record, **Legislative Counsel** confirmed that it **does not**.
- The -1 amendment applies **only to one narrow provision** of the Unlawful Trade Practices Act — the “goods and services sold” language. It does not apply to the Oregon Unfair Claim Settlement Practices Act, the “insurance code” of regulations that are explicitly referenced HB 4098. That means third-party lawsuits can still be triggered under this bill.
- HB 4098 is the same third-party bad faith law that was in place in **California** in the 1980's – it encouraged filing two lawsuits for every claim, caused a near-50,000 case backlog in California courtrooms and contributed to average insurance premium increases of 30-50 percent. That case law, overturned by the court, was re-enacted by the Legislature, only to be **overturned** by voters in that state at the next election.

Studies have shown that insurance premiums could rise up to **\$740 per year** for an Oregon family of four if this bill is enacted. It impacts auto, property and business insurance at a time when affordability is a *crisis* for families, farmers, childcare providers, renters, small business owners and affordable housing providers, among others.

HB 4098 has NOT been fixed. HB 4098 is bad for Oregon. Please vote NO.

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