

HB 4098 A STAFF MEASURE SUMMARY

Carrier: Rep. Dobson

House Committee On Commerce and Consumer Protection

Action Date: 02/12/26

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 6-4-0-0

Yeas: 6 - Chaichi, Chotzen, Gomberg, Sosa, Walters, Wise

Nays: 4 - Cate, Osborne, Reschke, Wallan

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/5, 2/12

WHAT THE MEASURE DOES:

The measure designates certain insurance practices as unlawful trade practices under Oregon’s Unlawful Trade Practices Act (UTPA).

Detailed Summary:

- Adds to the trade practices prohibited by the UTPA violations of the provisions in Oregon Revised Statutes 746.230 (unfair claim settlement practices), 746.650 (reasons for adverse underwriting decisions), 746.663 (cancellation or nonrenewal of personal insurance policies based on credit history or insurance score), and 746.686 (use of prior claim or injury in determination to issue or renew homeowner insurance policy) and failing to provide the notices required under ORS 746.687 (cancellation of homeowner insurance policy)
- Excludes the adjustment of third-party insurance claims from what is included in the definition of real estate, goods, or services within the UTPA
- Requires an individual filing an insurance-related UTPA lawsuit to mail a copy of the complaint and any resulting judgment to the Department of Consumer and Business Services (DCBS)
- Requires the DCBS director to make a request before a prosecuting attorney initiates a UTPA enforcement action related to insurance
- Clarifies various provisions of the UTPA, including a court’s authority to award equitable relief
- Creates three exemptions, disallowing UTPA civil actions against an attorney for their legal advice relating to an insurance claim; against an insurance agent regarding the selling, soliciting, or negotiating of insurance; and relating to the handling, settlement, or ultimate resolution of a medical malpractice claim or workers’ compensation claim
- Modifies the standard for filing a UTPA claim against a seller-lender of a manufactured dwelling
- Applies to conduct that occurs on or after the effective date

ISSUES DISCUSSED:

- The exclusion of insurance practices from the UTPA
- Exemptions in the measure
- Insurance premiums
- Insurance industry financial reporting
- First-party and third-party lawsuits

EFFECT OF AMENDMENT:

The amendment excludes adjustments to third-party insurance claims from what is included in the definition of real estate, goods, or services under the UTPA.

BACKGROUND:

The UTPA, enacted in 1971, is one tool consumers may use to recover damages resulting from deceptive sales or business practices. It provides individuals with a right of private action for deceptive practices in the sale of real estate, goods, or services. Consumers may bring a civil action for violations of the specific acts prohibited by the UTPA and may recover associated monetary damages, reasonable attorney fees, punitive damages, and equitable relief. Prevailing defendants may recover reasonable attorney fees where the action was brought without an objectively reasonable basis. As an alternative enforcement mechanism, district attorneys or the Attorney General may issue investigative demands into suspected UTPA violations or bring suit on behalf of the State of Oregon to restrain individuals or entities from engaging in unlawful trade practices. The statute of limitations is one year from the date of discovery of the violation.

This measure was brought in the 2025 Oregon legislative session as Senate Bill 174, which the Senate passed by a vote of 16 to 12. It was in the House Committee on Rules upon adjournment.