



The Insurance Crisis in Oregon: What You Should Know

Oregon's insurance crisis is here NOW.

Oregon's insurance crisis HURTS:

➤ Families

Wildfires, natural disasters and inflation are causing homeowners to be dropped from coverage or pay hundreds – even thousands – more for property insurance.

Drivers are seeing double-digit premium hikes for auto insurance.

➤ Renters

When insurance costs rise, housing providers increase rent to cover the increase. In fact, [58% of housing providers nationally](#) say they will increase rents to cover rising insurance premiums. More expensive insurance will make Oregon housing even MORE unaffordable for low-income residents.

➤ Housing and Essential Services

Providers of affordable housing have to apply for state subsidies to afford insurance. Childcare, behavioral health centers and even schools struggle to find or afford liability insurance.

➤ Small Businesses & JOBS

Premiums for small businesses have risen dramatically, hurting community-based businesses and stifling job growth. There is only ONE insurer left willing to write insurance coverage for Oregon ski areas.

➤ Healthcare

The cost of coverage for medical malpractice insurance for doctors and medical professionals, coupled with cuts to federal health programs, threatens access to medical care, especially for rural Oregonians who already have extremely limited access to care.

Making matters worse, in 2025, legislation was introduced that threatened to **significantly increase** the cost of insurance. Thankfully, lawmakers recognized the serious harm that bill - **SB 174** – posed to Oregonians and ultimately stopped it from becoming law. **Had it passed, SB 174 would have:**

❖ Enabled two lawsuits for a single insurance claim.

- ✓ *Health care injury claim?* File one lawsuit against the doctor PLUS another against the doctor's insurance company.
- ✓ *Car crash?* File one claim against the at-fault driver PLUS another against the driver's insurance company.
- ✓ *Tree fell on your house in a storm?* Sue your neighbors AND sue their insurance company.

❖ Created massive loopholes to incentivize litigation for auto, home, workers compensation and health care claims. (By enabling lawsuits based on broad, imprecise rules that were never intended to serve as the basis for lawsuits.)

❖ Forced higher settlement costs to avoid the time and expense of going to court – costs that impact the price consumers pay for insurance.

In 2026, the Oregon Legislature may consider a new version of SB 174.

Here's what you need to know:

- **SB 174** would have established new lawsuits against insurers – not just by the state Insurance Commissioner or Attorney General, but by *any private party*.
- **California already tried this approach, it failed, and voters rejected it.** When these “third party” lawsuits were allowed in California for nearly a decade, they caused insurance premiums to jump 32-53%, while jamming courtrooms with an extra 41,000 personal injury case filings in less than 10 years. After a court overturned “third party” lawsuits, legislators tried to pass a law to reinstate it, but California voters rejected it by a 2-1 margin in a statewide vote. And in the decade that followed, personal injury lawsuit filings *dropped* by 47,500.
- A 2025 study by respected analytics firm Milliman found that this legislation could cost Oregon consumers up to **\$1.4 billion**, or an estimated 7% to 16% rise in premiums paid by Oregon residents and businesses. **That's equivalent to \$740 per year for the average Oregon family.**
- It's not just homeowners who have to worry about increased insurance costs. When insurance goes up, housing providers raise rent to cover the cost. **Low-income Oregonians who are already stretched thin may find themselves paying even MORE for rent if this law passes.**
- **Washington state** has a “light” version of this type of law, which only allows policyholders to sue *their own* insurance company if their claim is unfairly handled or denied. And even *that* law is having a negative impact on the cost of insurance, as premiums for some lines of insurance coverage increased 20 percent (after inflation) in the first decade after the law passed. In 2024-25, nearly **2,700 insurance lawsuit notices** have been filed with the state's insurance department.

It's simple math. More frivolous lawsuits filed with the aim of forcing higher settlements will increase the cost of claims litigation and settlement for insurers. Insurers' cost to manage, pay, settle or litigate claims is a primary driver of the price consumers pay for insurance. More lawsuits = higher insurance costs – and, especially right now, Oregonians deserve better.

Policy cancellations and nonrenewals. Massive premium increases. Slower claims resolution. Higher costs, more hassles, less availability.

Is the answer to these problems really *more lawsuits?* No!

Let's start fixing Oregon's insurance crisis by *refusing to make it worse.*

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OREGON'S INSURANCE CRISIS IS HERE AND IT HURTS EVERYONE.



New legislation could cost families
\$740+ per year and **drive rent increases**



A new bill that expands litigation against insurers could make homeowners, auto, business, and property insurance more expensive by enabling more costly litigation. Lawsuits are a top driver of insurance price increases, which means everyone may have to pay more or be unable to access insurance. It would make Oregon an outlier on the West Coast as the only state with this type of legislation.



Families:

The average family that owns a home and has two cars could see rates climb as much as 16%, or \$740 per year.



Renters:

Housing providers raise rent to cover insurance cost increases. Nationally, 58% of housing providers say they plan to raise rent to cover insurance costs.



Small businesses:

Rising premiums mean less hiring, slower growth and higher prices just when Oregonians cannot afford more.

California tried this, it failed and voters rejected it.

Bodily injury premiums jumped 32-53% during the decade California allowed these lawsuits. Over 41,000 extra cases jammed courtrooms in that time. Washington does not have any similar legislation.

Wildfires have already spiked premiums by 600% in some Oregon communities.

Oregon families are already strapped by our state's affordability crisis. They can't absorb another increase.

It's simple math: If more frivolous lawsuits are allowed, costs go up and insurance premiums could increase.

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