

REVENUE: No revenue impact

FISCAL: Minimal impact, no statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means
Vote:	3 - 2 - 0
Yeas:	Bonamici, Monroe, Shields
Nays:	Boquist, George
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/16, 4/11, 4/18

WHAT THE MEASURE DOES: Adds insurance to the definition of “real estate, goods or service” for purposes of the Unlawful Trade Practices Act. Makes violations of law prohibiting unfair claim settlement an unlawful trade practice. Stipulates that Attorney General may not adopt rules respecting certain actions taken by prosecuting attorneys when the conduct subject to the action involves insurance except with prior review and approval of the proposed rules by the Director of the Department of Consumer and Business Services. Specifies that persons on whose behalf another person transacts insurance shall indemnify the other person from any cost, loss or damages, including attorney fees, that may arise out of a claim, action or judgment for violation of ORS 746.230.

ISSUES DISCUSSED:

- Consumer complaints about insurance companies
- Existing regulations of insurance companies
- State of insurance industry

EFFECT OF COMMITTEE AMENDMENT: Stipulates that Attorney General may not adopt rules respecting certain actions taken by prosecuting attorneys when the conduct subject to the action involves insurance except with prior review and approval of the proposed rules by the Director of the Department of Consumer and Business Services. Specifies that persons on whose behalf another person transacts insurance shall indemnify the other person from any cost, loss or damages, including attorney fees, that may arise out of a claim, action or judgment for violation of ORS 746.230. Deletes applicability of Unfair Claims Settlement Practices Act.

BACKGROUND: The Unlawful Trade Practices Act (UTPA), codified in ORS 646.605 – 646.656, is Oregon’s primary consumer protection law. It is designed to protect consumers from businesses that, among other things, fail to deliver all or a portion of goods or services as promised, cause a likelihood of confusion or misunderstanding about products or services, use of deceptive representations or designations, representing goods as meeting standards that they do not meet, and making false or misleading representations.

During the 2010 Session, the Legislative Assembly enacted House Bill 3706, which placed loans and extensions of credit under the definition of “real estate, goods and services” covered by the UTPA. Senate Bill 719-A adds insurance to this definition.