

**THEODORE R. KULONGOSKI
PORTLAND OREGON 97213**

March 21, 2013

Representative Paul Holvey
Chair, Consumer Protection and
Government Efficiency Committee
H-227
Oregon State Capitol
900 Court Street NE
Salem OR 97301

Re: HB 3160 and SB 686

Dear Chairman Holvey and Members of the Committee:

Thank you for providing me the opportunity to comment on this important piece of legislation. I write in support of HB 3160 and the identical bill in the Senate, SB 686, which would add insurance to the Unlawful Trade Practices Act (UTPA).

The insurance industry's exemption from the UTPA is longstanding. I believe the time has come that we provide Oregon consumers with a remedy for cases of deceptive insurance practices.

Years ago, when I served as Oregon's Insurance Commissioner, I testified against adding insurance companies to the UTPA in a similar piece of legislation. But times have changed—and I have changed my mind. The financial services meltdown in 2007 and the resultant recession, which cost many Oregon citizens their jobs, their homes, their retirements, and their futures, must be a wake-up call for public officials to provide greater consumer protection against fraudulent business practices in the financial services markets.

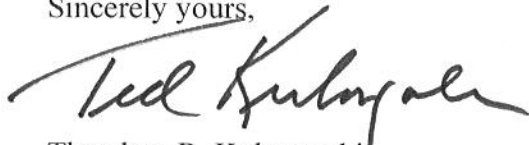
I believe we must have more regulation, at both the state and federal levels, of the financial services industries, of which the insurance industry is a major part. Most insurance companies follow the law, but there are bad actors in every business who ruin consumers' lives and destroy businesses. Giving Oregon consumers a private right of action to protect themselves is a simple, cost-effective way to afford consumers a measure of protection.

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I understand the Oregon Attorney General can bring an action under the UTPA on behalf of the consumer. Because of state budget constraints and the resulting limitations on enforcement action by the government, a private cause of action in many cases will be the only way a consumer can redress a wrong.

Thank you for your consideration, and I recommend a “do pass” for this legislation. Let me know if you have any questions.

Sincerely yours,



Theodore R. Kulongoski
Governor of Oregon (2003-2011)