



House Bill 3160-A

Remove Insurance Industry Exemption from Anti-fraud Statute

Insurance is the only line of business that is exempt from the Unfair Trade Practices Act (UTPA).

The UTPA is Oregon's cornerstone consumer protection statute that prohibits misrepresentation and mistreatment in business practices. The statute also protects Oregon businesses that play by the rules from having to compete in the marketplace with bad actors and cheats.

Because of the special exemption, the Attorney General is prohibited from suing insurance companies that engage in fraud AND individuals have NO private right of action to sue an insurance company that blatantly delays and denies a legitimate claim or medical provider reimbursement.

The exemption encourages insurance companies to act with impunity and reduces their incentive to pay out legitimate claims and reimbursements.

The longstanding pattern of insurance company abuse is a common problem for businesses and consumers. Some common insurance company tactics include:

- Not promptly paying claims
- Denying coverage for losses or necessary medical bills
- Failing to evaluate a claim in good faith
- Lowballing offers that force consumers/businesses to file lawsuits
- Hiding coverage
- Delaying, delaying, delaying

The State of Washington, and 33 other states, include insurance in their version of the UTPA.

Premium rates in these states are NOT higher than in states where insurance is exempt.

Insurance rates in Oregon and Washington are comparable, and in fact, Washington has lower auto insurance rates.

HB 3160-A would:

- **Remove the special exemption and stop giving insurance companies the green light on bad behavior.**
- Hold insurance companies to reasonable standards of conduct like ALL other businesses.
- Provide businesses and consumers with a way to hold insurance companies responsible for their bad behavior.
- Allow the Attorney General to sue insurance companies that engage in fraud.
- Ensure that consumers/businesses, who are dealing with serious losses, get what they have paid for through their premium dollars.
- Make insurance companies reimburse medical providers fairly.