

Consumers and Small Business Protection Committee

Re: HB 3160

Wednesday May 8th, 2013 @ 4:00pm

Insurance companies need to be held accountable.

In January of 2009 my house flooded during a heavier than normal but no unprecedented rain event. The cost to repair the insulation, ductwork and vapor barrier came to \$4970 dollars. I did some preliminary investigation of documents pertaining to a development uphill from me and it became obvious the City responsible and the engineer/developer responsible had made a large error. In a nutshell, the City engineer told the developer and his engineer they forgot to include 42 acres in their storm water management plan. The plan submitted to the City was for 34 acres of drainage area. This item was never corrected nor followed up on, the development approved and constructed.

I pointed this out to the City with my request for them to pay the repair of \$4970. Despite being presented overwhelming evidence, the denied it saying that the insurance company called the rain event an Act of God, even though it did not meet the definition of Act of God in the State of Oregon which essentially measures an Act of God as an event that has never been known to occur before.

What they did was to deny everything knowing the average person would not sue them and just go away. They do this on purpose as a way of avoiding claims and payment on insurance policies.

I however had the resources and sued the City, the Engineer, the Developer and their insurance companies. After an outlay of \$157,000 on my part, we settled for \$185,000. They were going to lose on inverse condemnation and did not want to go to court.

In summary, \$500,000 spent on costs by all parties to settle a legitimate claim of \$4,970.

8 other neighbors got nothing because they did not have \$157,000 to sue the parties involved and that is what the insurance companies count on. These people, one of them in a wheelchair unable to work have had to learn to live with the nasty taste of being used and taken advantage of because insurance companies rely on expensive justice and legal system to force the majority of people to walk away from legitimate claims.

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