

June 24, 2013

Paul Terdal  
NW Portland (HD36 / SD18)

Rep. Chris Garrett, Chair  
House Committee On Rules  
900 Court St. NE, Hearing Room E  
Salem, OR 97301

**Re: In SUPPORT of SB414A**

Dear Chair Garrett and Members of the Committee,

I am writing today in SUPPORT of SB414A, as the originator of the legislative concept and as a volunteer advocate for consumers seeking to access their insurance benefits.

Over the past couple of years, I have – as a volunteer – assisted nearly 100 Oregon families with insurance issues and appeals related to treatment for autism and related conditions. In many cases, we've been very successful – we have won more than 20 External Reviews overturning insurer denials of medically necessary, evidence-based treatment, and contributed to Kaiser's very welcome decision to voluntarily cover these treatments under its' existing policies.

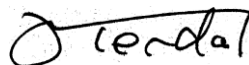
Unfortunately, there are some circumstances where we have been simply unable to reach an agreement with insurers, and have been left with few options to protect consumer's rights, even with the support of the Oregon Insurance Division.

Currently, while DCBS and the Insurance Division can impose fines or civil penalties on insurers, or revoke a license to operate, they lack the authority to require an insurer to pay a claim or other restitution. Since the private right of action for an insurance consumer is limited in Oregon, it can be very difficult for a consumer to enforce their rights in a conflict with an insurer.

Senate Bill 414A gives the Director of Consumer and Business Services (DCBS) and the Insurance Division the power to seek restitution and other equitable relief on behalf of consumers who suffer damages as a result of an insurer's violation of the Insurance Code. Individuals would not have a right of action against insurance companies in SB 414A.

Enacting SB414A would greatly strengthen the ability of our regulators to protect consumers.

Sincerely,



Paul Terdal

## Statements about SB414 by Other Organizations:

### Standard Insurance Company:

“If Oregon consumer protection is indeed the sponsors' goal, there is a better option on the table. SB 414, presently before the Rules Committee, would grant Oregon's insurance regulators authority to order insurers to pay restitution to consumers. This is a much more appropriate, better tailored remedy to achieve the sponsors' stated goals.”

- Testimony to Senate Committee On General Government, Consumer and Small Business Protection regarding HB3160, May 8, 2013

### State Farm Insurance Company:

“We would point out that this Committee has already taken action on another bill, SB 414, that would provide consumers with a more immediate remedy, should they question an insurer's action on any insurance transactional or claims issue. SB 414 empowers the Insurance Commissioner's office, to order restitution on behalf of any consumer, who suffers actual damages as a consequence of an insurer's violation of the Insurance Code or breach of an insurance contract. That remedy would be more immediate and available to all consumers. State Farm and State Farm Agents, and every other insurer and insurance producer that continuously works to provide appropriate insurance products and to fairly resolve claims of Oregon consumers, are fully supportive of this recommended enhancement of regulatory authority.”

- Testimony to Senate Committee On General Government, Consumer and Small Business Protection regarding HB3160, May 8, 2013

### Oregon Business Association:

“SB 414, which grants restitution authority to DCBS for insurer misconduct, is a much more Oregon-like solution to this issue. We don't need more litigation against insurers at a time when the business community has joined the Governor and the Legislature to focus on decreasing the cost of health care.”

- Testimony to Senate Committee On General Government, Consumer and Small Business Protection regarding HB3160, May 8, 2013