



OREGON BUSINESS ASSOCIATION

6975 SW Sandburg Street, Suite 250 Tigard, Oregon 97223
Ph: 503-641-0990 Fax: 503-641-0959 oba@oba-online.org www.oba-online.org

Chair Holvey and members of the committee,

The Oregon Business Association (OBA) Opposes HB 2525 and HB 3160

HB 2525 and HB 3160 would create an Oregon insurance marketplace ripe with inappropriate inducements for lawsuits over insurance claims. The OBA believes that this experiment has failed in the few other states where it has been tested, and instead has resulted in increased insurance costs for consumers and businesses. This is the wrong time to add more cost pressures to a healthcare insurance system which is eating up an increasing piece of the financial pie of Oregon consumers, families and businesses.

HB 2525 and HB 3160 would create an inefficient and more expensive insurance market for Oregon consumers at a time when our efforts should be focused instead on reducing healthcare costs. Oregon's existing insurance regulatory framework is robust and comparable to most other states. OBA notes that the Oregon Insurance Division has not requested these new forms of litigation.

HB 2525 and 3160 will lead to more frequent and more expensive litigation in Oregon over insurance claims. The new incentives for "bad faith" litigation sought by HB 2525 and 3160 - awards of attorney's fees and punitive damages - are little more than inducements for more lawsuits by consumers against Oregon insurance companies. More lawsuits will lead only to higher insurance premiums for Oregon consumers and businesses.

Existing Oregon law already prohibits bad faith behavior by insurers. ORS 746.230 explicitly, and comprehensively, prohibits unfair or deceptive claims practices by insurers, requires prompt claims practices and responsive communications with insurance consumers. HB 2525 adds nothing new to the strong consumer protections already contained in ORS, but rather creates new financial inducements for litigation and hardball tactics by plaintiffs' lawyers.

This is the wrong time to embark on an experiment that increases litigation and insurance costs in Oregon.

Thank you for your time and consideration.

D.J. Vogt
Legislative Director | Oregon Business Association
6975 SW Sandburg Street, Suite 250
Tigard, Oregon 97223
503-641-0990 | djv@oba-online.org
www.oba-online.org