

March 14, 2013

House Consumer Protection and Government Efficiency

Re: Opposition to House Bills 2525 and 3160

Mr. Chair, Members of the Committee and other legislators:

House Bills 2525 and 3160 have been brought to our agency's attention and implications of the passing of this bill is foreseen to lead to unnecessary duplication of regulation to our industry in addition to added expense from additional litigation.

Current Oregon law within Chapter 746, gives the Oregon Insurance Division under the Department of Consumer and Business Services, the authority for regulation of the insurance trade practices. By passing House Bills 2525 and 3160, the Attorney General would be granted authority over the insurance industry for trade practices under the Unlawful Trade Practices Act in Chapter 646. Duplicate regulation of the insurance industry is an added expense that is not necessary.

The passing of this bill will expose the insurance industry to claims for tort damages, treble damages and punitive damages, as well as investigation costs and attorney fees for claims regarding alleged deceptive or fraudulent sales tactics.

The end results of the passage of House Bills 2525 and 3160 will be to increase the volume and cost of litigation without providing any significant benefit to the consumer, in fact the consumer will be negatively impacted by the increased cost of insurance imposed upon them by the increased cost of doing business from insurance and agencies defending increased costly law suits.

With local businesses currently having to close their operations in Lincoln, Lane, Coos and Curry County due to the conditions of the economy and the current cost of insurance, we can not afford any duplication in regulation.

Sincerely,

Wendy Abel-Hatzel, AAI, CIC, CPIW, CRM, DAE
Vice President
Harry Abel Insurance Agency, Inc.