



**House Consumer Protection and Government Efficiency Committee
Testimony of Angela Martin in support of HB 3160
March 14, 2013**

Good morning and thank you Chair Holvey, Vice-Chairs, Lively and Richardson, and members of the committee. My name is Angela Martin and I'm here testifying today to advocate for House Bill 3160, which proposes including insurance in the definition of real estate goods and services under Oregon's Unlawful Trade Protection Act.

Insurance is different than most all other consumer goods and services – it's an essential part of economic security. Individuals can choose to buy a new TV, for example, yet they have little choice about whether to buy insurance. The state compels us to purchase insurance if we want to drive, banks compel us to purchase insurance if we want to borrow money for a house, and prudence dictates that we purchase insurance to protect our financial health and well being.

Yet, despite its tremendous importance, consumers have fewer protections against the failure of their insurance company to deliver on their promises than they do against the salesman who sells them a defective TV.

TV salesman, auto dealers, and mortgage lenders, for example, are subject to Oregon's most important consumer protection statute – the Unlawful Trade Practices Act. However, the insurers that sell us policies intended to secure goods and investments such as TVs, cars, and homes, are exempt from the UTPA. Every single other business in every single other industry is subject to its regulations.

HB 3160 would remedy this by including insurance in the definition of real estate goods and services under the UTPA and bring Oregon in line with the majority of states that include insurance under their unlawful deceptive practices acts.

Insurance, like many other industries, is heavily regulated. There are laws and rules on the books guiding the development and sale of insurance products and the settlement of claims. In fact, the State Department of Consumer and Business Services has a division dedicated to insurance

regulation. However, nowhere in the hundreds of pages of insurance regulation are consumers given the tools they need to legally challenge an unlawful denial or delay of a valid claim. Providing consumers with this sort of access to justice is the unique province of the UTPA.

Each year thousands of Oregonians file complaints with the Insurance Division and the Department of Justice. And agency staff do their level best to log, reroute, and settle complaints, as they are able. But the agency complaint process alone is simply not sufficient. By its own admission, Insurance Division advocates are not attorneys and cannot act as legal representation. And consumers who contact the DOJ are rerouted to the Insurance Division because the Attorney General lacks the authority to pursue insurance industry misdeeds and violations.

Some consumers are able to hire attorneys and fight for their legal rights in court, but the barriers they face to take their case before a judge are considerable. As a result, this avenue is simply not available to most citizens, particularly those in the lower to middle income brackets. Moreover, this shouldn't be their primary – and certainly not their only – recourse.

HB 3160 isn't about adding new rules to the long list of standards and procedures already set forth in law. It doesn't do that. It's simply about giving the individual consumer and business owner – as well as the Attorney General – the legal ability to enforce current law and holding the insurance industry to the same standards as every other single industry in the state.