



Local Agents Serving Main Street America

March 15, 2013

Senate General Government, Consumer and Small Business Protection Committee

Strong Opposition to Senate Bills 512, 513, 514, and 686

Mr. Chair and Members of the Committee:

The Professional Insurance Agents of Oregon and Idaho (PIA) are united in our strong opposition to Senate Bills 512, 513, 514, and 686. PIA is a statewide group of independent insurance producers (or "agents"). Our members are small business owners and we serve consumers in many communities through Oregon. All of our members sell property/casualty insurance, and most sell other lines of insurance, too.

We are strongly opposed to Senate Bills 512, 513, 514, and 686 on behalf of both our members and their customers. These are bills that will definitely impact small business people and individuals who buy insurance.

Senate Bills 512, 513, 514, and 686 include insurance in definition of "real estate, goods or services" for purposes of the Unlawful Trade Practices Act. Current law provides that the Oregon Insurance Division has authority for comprehensive regulation of insurance trade practices in Chapter 746. Senate Bills 512, 513, 514, and 686, by removing a current exemption for insurance, would grant the Attorney General authority over insurers and their agents for trade practices under the Unlawful Trade Practices Act in Chapter 646, while they are still liable under the Unfair Claims Settlement Practices Act.

The Oregon Insurance Division Insurance already regulates insurance. They can and do penalize insurance agents, as well as companies. They can take away our livelihood. Insurance does not need a second state regulator on trade practice matters. Dual regulation will be costly and will confuse our members as well as all who deal with insurance.

The Unlawful Trade Practices Act is not an appropriate method to regulate insurance transactions. In the insurance setting, the insured already has a breach of contract claim if the insurance company does not comply with its obligations under the policy. Agents can already be sued under their errors and omissions insurance policies, but this bill will force them to deal with many more lawsuits. They are the ones who may be most impacted under these bills.

Consumers will also have to pay the price for Senate Bills 512, 513, 514, and 686, because it will increase the number of lawsuits and thus the costs which are passed on to policyholders. The result of this bill will be to expose insurers and their agents to claims for tort damages, treble damages and punitive damages, as well as investigation costs and attorney fees.

Please defeat Senate Bills 512, 513, 514, and 686. Thank you for your consideration.

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