



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

March 15, 2013

Senate General Government, Consumer and Small Business Protection Committee

Chair Shields and Committee Members:

I recently became aware of Senate Bills 512, 513, 514, and 686 which as I read them intend to put trade practices under the attorney general's office. I have been working in insurance for over 40 years in Oregon and trade practices have always been effectively handled by the insurance division. I have several concerns with what might happen should these bills become law in our state. Since I derive my income from the insurance industry I am concerned that not only will it affect my business personally but it may also affect the insurance industry in the state of Oregon.

1. Having the insurance industry regulated by two separate divisions of the Oregon government will cause confusion and most likely result in dual standards of how someone should be treated. Senate Bills 512, 513, 514, and 686 would be inefficient and result in increased costs that will be borne by us the consumers.
2. My inclination is that this would result in more legal items. The insurance division does an excellent job of handling all of the trade practices of insurance in the state of Oregon and always has. The insurance division always has taken enforcement action for trade practices against agents and companies. If this were transferred to the attorney general's office I will guess that several companies will withdraw from the state. This will mean that consumers for whom they are writing business in Oregon will have to seek coverage from another insurer.
3. My experience is that the insurance division has always done an excellent job of handling the trade practices of both agents and the insurance companies. They do an excellent job and because they are familiar with how insurance works they are able to solve many problems before they would have to take enforcement action. I doubt the attorney general's office without extensive insurance knowledge could do that.
4. For licensing, a person studies the section of the ORS's which pertains to insurance. Included in that is trade practices which is a section. If it were transferred to the attorney general the code would have to be rewritten and for trade practices you would go to another section of the ORS's. That certainly isn't conducive to people learning what the insurance code says if it wasn't in the insurance code.

I urge you to vote no on Senate Bills 512, 513, 514, and 686 as I feel it will cause many problems for consumers first due to increased costs, and the insurance companies as well.

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