



## OREGON BUSINESS ASSOCIATION

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Chair Shields and members of the committee,

### **The Oregon Business Association (OBA) Opposes Senate Bills 512, 513, 514 and 686.**

This legislation 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.

**Senate Bills 512, 513, 514 and 686 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.

**These bills will lead to more frequent and more expensive litigation in Oregon over insurance claims.** The new incentives for "bad faith" litigation sought by these bills - 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. These bills add nothing new to the strong consumer protections already contained in ORS, but rather create 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.

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