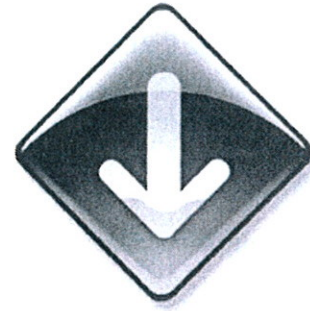


From the Desks of Representatives Mark Johnson and Kim Thatcher

Vote NO on HB 3160.

- The wrong solution
- Higher insurance costs for consumers
- A threat to ALL Oregon employers & businesses



HB 3160 is harmful, and does more than “just adding insurers” to the UTPA.

HB 3160 would establish **dual regulation** of insurance for the first time in Oregon. Insurers and insurance producers, already closely regulated by one of the nation’s best-run insurance departments, under a thoughtfully-developed insurance code, would also be regulated by the state Attorney General under the Unfair Trade Practices Act (UTPA). In addition, insurers will face “**second suits**” from claimants, accusing insurers of unfair claims settlement practices whenever an insurer contests questionable or fraudulent claims. HB 3160 was written by plaintiffs’ lawyers to provide them with leverage to increase settlements in all types of insurance claims.

HB 3160 “remedies” are extreme

Only 10 states have combined their Unfair Claims Settlement Practices (UCSP) statute into their Unlawful Trade Practices Acts (UTPA). Five of those states do not allow private rights of action. And the UTPA statutes of only 2 states, (FL, MA), allow both first *and* third parties to sue insurers for alleged UCSP violations. But HB 3160 is even **more extreme** than remedies in those high-cost insurance states, providing unrestrained first and third party private rights of action, with no required notice to allow cure, while imposing punitive damages, one-way attorney fees and class actions, and allowing individuals to act as “private regulators” of insurers.

HB 3160 impacts ALL Oregon businesses

HB 3160 amends the UTPA to allow plaintiffs’ lawyers to seek injunctions, cease-and-desist orders, and even orders of restitution, *in addition to claims for damages*, against **any** Oregon business, not just insurance companies.

Higher insurance premiums?

Insurance premiums skyrocketed by up to 53% in California during the decade when the law allowed filing two lawsuits for the same claim – one against a party for damages and another against their insurer for “bad faith.” In Washington State, where first-party bad faith lawsuits have been allowed since 2007, insurance costs in personal property coverage rose by nearly \$200 million! Is Oregon next?

“A jurisdiction choosing to provide for a private cause of action should consider a different statutory scheme. This Act (Unfair Claims Settlement Practices) is inherently inconsistent with a private cause of action.”

-National Association of Insurance Commissioners

HB 3160 specifically includes the Unfair Claims Settlement Practices Act as a source of litigation under the UTPA – **dramatically increasing the number of lawsuits that will be filed. The nation’s insurance regulators never intended the law to be a source for private party lawsuits.**

Existing remedies protect consumers

Oregon’s laws and regulations protect consumers, and provide remedies when those laws aren’t followed. Existing legal remedies include:

1. Breach of contract for policy benefits;
2. Consequential damages for breach of contract (including, potentially, punitive damages);
3. Emotional distress damages for breaches of contract that directly causes physical injury;
4. Damages in excess of the stated policy limit for failing to adequately defend the insured;
5. Unrestricted damages for the tort of intentional infliction of emotional distress;
6. Unrestricted damages for the tort of intentional interference with contractual relations;
7. Unrestricted damages for the tort of fraudulent reductions or denials of benefits;
8. Punitive damages where the misconduct of the insurer has been deliberate, intentional, wanton and willful;
9. Assignability of claims against insurers;
10. Attorney fees for actions on the policy;
11. Actions against the insurer to recover policy proceeds following entry of a judgment.

Vote NO on HB 3160

Allstate
Mark Nelson, Justen Rainey

American Council of Life
Insurers
John Mangan

American Family Insurance
Group
Lana Butterfield

Americas Health Insurance Plans
Elise Brown

American Insurance Association
Paul Cosgrove, Alec Shebiel,
Joanie Cosgrove

Associated Builders and
Contractors
Shawn Miller

AOI
Betsy Earls, JL Wilson

Cambia Health Solutions
Tom Holt, John Powell, John C.
Powell

CNA Insurance
Inga Deckert, Joe Manero

The Doctors Company
Jim Dorigan, Elizabeth Healy

Farmers Insurance
Brian Miller

Health Net Health Plan of OR
Lisa Trussell

Independent Insurance Agents of
Oregon
Roger Beyer

Independent Electrical
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Kaiser Permanente
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Lifewise
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Jon Chandler, Scott Barrie

Oregon Liability Reform
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Mike Dewey, Fawn Barrie

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Bill Perry

Oregon Trucking Association
Bob Russell

Pacific Source
Marian Blankenship, Pam Leavitt

Physicians Insurance
Anne Bryant

Professional Insurance Agents of
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Lana Butterfield

Progressive Insurance
Dave Barrows, Tom Barrows

Property Casualty Insurers of
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Shawn Miller

Providence
Dan Jarman

Regence
Tom Holt, John Powell, John C.
Powell

Safeco Insurance
Gary Strannigan

Salem Area Chamber of
Commerce
Jason Brandt

The Standard
Justin Delaney

State Farm
John Powell, John C. Powell

Sublimity Insurance Company
Geoffrey Baker

Surplus Line Association of
Oregon
Jim Markee, Matt Markee

US Chamber Institute for Legal
Reform, Kevin Watson