

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	6 - 3 - 0
<b>Yeas:</b>	Doherty, Keny-Guyer, Lively, Richardson, Vega Pederson, Holvey
<b>Nays:</b>	Johnson, Smith, Thatcher
<b>Exc.:</b>	0
<b>Prepared By:</b>	Bob Estabrook, Administrator
<b>Meeting Dates:</b>	3/14, 3/19, 3/26

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**WHAT THE MEASURE DOES:** Eliminates exclusion of insurance from definition of real estate, goods or services for purposes of unlawful trade practices. Includes insurance for purposes other than personal, family or household purposes in definition. Requires approval of Director of Department of Consumer and Business Services of rule established by Attorney General with respect to conduct subject to Insurance Code. Requires Attorney General to provide copies of certain documents to director if action relates to insurance. Prohibits prosecuting attorney taking certain actions for unlawful trade practice related to insurance unless director requests action. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Regulatory authority of Insurance Commissioner and Department of Consumer and Business Services
- Existing mechanisms for resolving disputes
- Practices in other states, particularly Washington
- Role of insurance in common activities
- Individual experiences with insurance claims
- Interaction of existing regulation of insurance practices and Unlawful Trade Practices Act (UTPA)
- History of insurance exemption from UTPA
- Remedies provided in measure

**EFFECT OF COMMITTEE AMENDMENT:** Requires approval of Director of Department of Consumer and Business Services of rule established by Attorney General with respect to conduct subject to Insurance Code. Requires Attorney General to provide copies of certain documents to Director if action relates to insurance. Prohibits prosecuting attorney taking certain actions for unlawful trade practice related to insurance unless Director requests action.

**BACKGROUND:** Oregon’s Unlawful Trade Practices Act, ORS chapter 646, currently excludes insurance from the definition of “real estate, goods or services” subject to the provisions that apply generally to unlawful trade practices. The Insurance Code, ORS chapter 746, provides certain remedy provisions related to unlawful insurance practices and establishes certain regulatory authority for the Director of the Department of Consumer and Business Services. Unlawful trade practices may be prosecuted by the Attorney General or district attorneys; harmed individuals have a private right of action as well.

House Bill 3160 A applies existing unlawful trade practice provisions to insurance purchased for any purpose. The measure clarifies the enforcement authorities of the Department of Consumer and Business Services and the Department of Justice and is effective immediately upon passage.

3/28/2013 9:25:00 AM

*This summary has not been adopted or officially endorsed by action of the committee.*