

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure and Be Referred to the Committee on Rules

Vote: 3 - 2 - 0

Yeas: Monnes Anderson, Prozanski, Shields

Nays: Baertschiger, George

Exc.: 0

Prepared By: Channa Newell, Administrator

Meeting Dates: 5/8, 5/31

WHAT THE MEASURE DOES: Includes insurance in definition of real estate, goods or services for purposes of unlawful trade practices. Specifies violation of unfair claim settlement practices statute is unlawful trade practice. Requires Attorney General submit rule relating to conduct governed by Insurance Code to Director of Department of Consumer and Business Services for review and approval. Prohibits prosecuting attorney from taking action with respect to conduct subject to Insurance Code unless Director requests action. Clarifies circumstances in which loan is made in close connection with sale of manufactured dwelling. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Personal experiences with resolving insurance claims
- Concerns with increasing insurance premiums
- Washington's related statute and effects
- Validity of comparison to Washington statute
- Concerns with third party claims
- Need for further amendments

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Unlawful Trade Practices Act (UTPA) was enacted by the Oregon Legislature in 1971. The UTPA defines and prohibits various unfair and deceptive trade practices, giving the Attorney General, district attorneys, and in some instances, private citizens the right to sue for violations of the Act. Currently, insurance trade practices are regulated in ORS chapter 746 and are not subject to the UTPA.

House Bill 3160-A adds insurance to the categories of goods or services subject to the UTPA and makes unfair claim settlement practices a violation of the UTPA. The measure authorizes a private right of action for individuals.