



March 16, 2015

TO: Senate Judiciary Committee
FROM: Lana Butterfield, Professional Insurance Agents of Oregon/Idaho
RE: **SB 313**

Good Morning, Mr. Chair and Committee Members!

For the record, I am Lana Butterfield, speaking on behalf of the Professional Insurance Agents of Oregon/Idaho (PIAO/I). PIA is opposed to Senate Bill 313 from three perspectives.

1) Insurance Industry Standpoint

SB 313 puts insurance companies in an awkward position of having to look over their shoulder as they investigate and settle claims – knowing that there may be a second lawsuit, thus leading to increased and higher settlements, as has happened in other states.

2) Our Insurance Consumer Clients

If increased costs cause premiums to rise, we know the pain this will cause our clients. We sit across the desk from our consumers day in and day out, and listen to their concern over the cost of insurance.

3) Insurance Agents Themselves

In general, agents are not even part of the claims process, yet they can be sued under this bill. Most often the consumer calls the company directly to report a claim. Yet on occasion, especially when “sticky wickets” occur, the customer will ask the agent to contact the company on their behalf. The agent – who knows the customer better than anyone else in the insurance industry – can help to explain and facilitate. However, the agent is never given any kind of power to settle claims.

Most agents currently are happy to do this for their customers. However, under SB 313 many agents may choose to say no in those situations as there is a chance they could get sued. There is no bright line as the bill is drafted. Consumers may lose the help of their insurance agents in time of need.

Thank you for your consideration.

Lana Butterfield
lanab@teleport.com
503/819-5800