

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Judiciary

REVENUE: May have revenue impact, statement not yet issued**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO:****Action:****Vote:**

Yeas:

Nays:

Exc.:

Prepared By: Channa Newell, Counsel**Meeting Dates:** 3/16

WHAT THE MEASURE DOES: Provides private right of action for violations of Insurance Trade Practices. Allows recovery of actual damages or \$200, whichever is greater. Allows punitive damages, equitable relief, and attorney fees. Establishes two-year statute of limitations for claims. Allows action to be maintained as class action. Specifies violation of ORS 746.308 is unlawful trade practice. Repeals current remedies for violations by motor vehicle repair or frame shops and attorney fee provisions.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: Proposed (-2) amendments exclude insurance producers from measure. Proposed (-3) amendments limit ability to bring action against insurer for act or mission to the person insured.

BACKGROUND: Oregon Revised Statutes Chapters 731-750 are Oregon's Insurance Code. The Insurance Code is administered and enforced by the Department of Consumer and Business Services. ORS Chapter 746 governs trade practices by insurers. Within Chapter 746 are prohibitions on discriminating when making policies, prohibitions on making misleading, deceptive, or false statements, and many other consumer protections. Violations of the Insurance Code are punishable by a fine of up to \$10,000, which is directed into the General Fund.

Senate Bill 313 provides a private right of action for consumers who are injured by conduct prohibited under Chapter 746. It allows recovery of actual damages, plus punitive damages and attorney fees in certain circumstances. If an insurer fails to follow the statutory procedure for totaled cars, the consumer may bring a claim under the Unlawful Trade Practices Act. SB 313 allows actions to be maintained as class actions and provides for a two-year statute of limitations.