

MICHAEL E HARPER
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PORTLAND, OREGON 97219

March 13, 2017

The Honorable Ginny Burdick
900 Court St NE, S-223
Salem, OR, 97301

The Honorable Margaret Doherty
900 Court St NE, H-282
Salem, OR, 97301

Dear Senator Burdick and Representative Doherty:

As a constituent business owner, I respectfully ask you to oppose House Bill 2858 as it will place an undue burden on my business and my customers.

I am a proud State Farm agent and have been helping Portlanders with their insurance needs since 1990.

This bill will impose dramatic new costs on businesses like mine, which may result in higher prices for consumers. It creates a contentious, costly, complex, and time-consuming administrative process that all Oregon insurance companies will have to follow. It also significantly expands the workload of the Department of Consumer and Business Services (DCBS). Rather than regulating the market and protecting consumers, the bill will weaponize the agency by making them responsible for conducting investigations and turning over its findings to trial lawyers for drawn-out, costly lawsuits. With Oregon already facing a \$1.8 billion deficit this biennium, we shouldn't be looking to cover trial lawyers' costs diverting important resources away from protecting consumers.

If a company acts in bad faith they are already held accountable under Oregon law by the Department of Consumer and Business Services (DCBS). Insurers are required to treat their policyholders fairly and settle claims in a timely manner. Should a problem arise, consumers can seek recourse in a court of law or through the Oregon Division of Insurance. In fact, current Oregon law allows DCBS to seek restitution for any damages a consumer suffers if an insurer violates the state insurance code. This is a fast, fair, and affordable way to protect consumers.

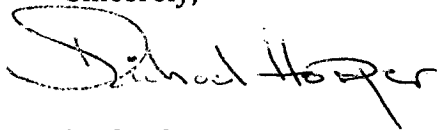
HB 2858 will give lawyers a virtually unrestricted ability to file a third-party bad faith lawsuit against an insurance company like mine. This means that if somebody has an accident, be it in a car or in a business/home, they can sue the insurance

company of the person allegedly responsible for their injuries. The possibility of winning a large third-party settlement and court judgments creates a powerful incentive for potential claimants and their attorneys to file insurance claims.

Other states that have allowed such lawsuits against insurers have seen insurance rates rise as insurers grapple with increased costs.

HB 2858 will not improve consumer outcomes/protectons. On the contrary, consumers will suffer as the burdens this bill places on the industry results in higher rates. Please vote no on HB 2858

Sincerely,

A handwritten signature in black ink that reads "Michael Harper". The signature is written in a cursive style with a large initial "M" and "H".

Michael E Harper

cc: Members of House Business and Labor