



Property Casualty Insurers

Association of America

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Melanie Smith  
Regional Manager, State Government Relations

March 20, 2017

To: The Honorable Paul Holvey, Chair, House Committee on Business and Labor  
[Rep.PaulHolvey@oregonlegislature.gov](mailto:Rep.PaulHolvey@oregonlegislature.gov)

The Honorable Greg Barreto, Vice-Chair, House Committee on Business and Labor  
[rep.gregbarreto@state.or.us](mailto:rep.gregbarreto@state.or.us)

Members of the House Committee on Business and Labor

Re: HB 2858

Dear Members of the House Committee on Business and Labor:

Oregon has some of the strongest consumer protection laws in the country, holding insurers accountable under the rigorous oversight of the Department of Consumer and Business Services (DCBS). Insurance companies have contractual duties to their policyholders and problems arise, consumer are provided fair and efficient remedies through the courts or by filing complaints and seeking restitution free-of-charge through the Oregon Division of Insurance. HB 2858 would undermine Oregon's existing fast, fair and affordable remedy and restitution process, incentivizing lawsuits, increase costs and provide little if any additional protection to consumers of all lines of insurance including personal lines, health and workers' compensation.

PCI is the nation's leading property casualty trade association with nearly 1,000 members representing the broadest cross-section of insurers of any national trade association. PCI members write over \$200 billion in annual premium nationally, representing nearly 40 percent of the property casualty insurance policies in force in the United States today and over 26 percent in Oregon.

PCI members are concerned that HB 2858 would drastically alter the role of DCBS by creating a system of administrative "litigation" that is outside the protection of the court system and shifts the cost of "discovery" from attorneys to Oregon consumers and taxpayers. Like regulatory agencies across the country, DCBS is currently authorized to investigate consumers' complaints and provide relief, including restitution, when warranted. HB 2858 would expand this role by requiring DCBS to engage in civil discovery that is far beyond what is allowed by Oregon courts. This measure would provide attorneys unprecedented access to depositions of adjusters and other personnel, insurer claims files, proprietary information and attorney client privileged communications between insurers and their lawyers. Even minor and technical violations of the insurance code that is now quickly and easily handled through DCBS, would become the source of new causes of action.

PCI respectfully urges your opposition to HB 2858 which is a solution looking for a problem and provides no added benefit to consumers. This bill would simply allow attorneys to seek two lawsuits on a single insurance claim and create a contentious, cumbersome process to assist those efforts at the expense of consumers and taxpayers.

Sincerely,

A handwritten signature in black ink that reads "Melanie Smith". The signature is written in a cursive, flowing style.

Melanie Smith