

March 5, 2019

Senate Committee on Judiciary

900 Court St. NE,

Salem, OR 97301

Dear Chair Prozanski, Vice-Chair Thatcher and Members of the Committee;

I am extremely concerned that SB 728 will turn Oregon into a high cost insurance state to the benefit of plaintiff attorneys and to the detriment of consumers. Currently, Oregon insurance rates are affordable in comparison to other states. Should SB 728 pass, rates for Oregon families and businesses could skyrocket and I hope you will do what you can to avoid that outcome and stop this bill.

As someone who has been involved in handling of auto insurance claims for nearly 15 years, and as an Oregon consumer, I have seen first-hand how existing regulations and laws mandate and ensure the highest level of consumer protections. If an insurance company acts in bad faith, they are held accountable under Oregon law by the Department of Consumer 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 effective way to protect consumers. Our current functioning system makes SB 728 unnecessary and disruptive.

The proposed bill allows plaintiff attorneys to line their pocketbooks with settlements from "second suits" by accusing insurers of unfair claims settlement practices whenever an insurer contests questionable or fraudulent claims. This law was drafted by plaintiff attorneys under the guise of protecting consumers. As noted previously, customers are already protected effectively by the current DCBS.

Other states that have allowed "second suits" have seen the rates of frivolous lawsuits increase right along with the insurance rates, which ultimately is to the detriment of Oregon insurance consumers. SB 728 will not help the consumer and may actually hurt Oregonians by acting as a catalyst for increased insurance costs.

**I ask you to vote NO on SB 728**

Thank you,

Kate McAlexander  
Eugene, Oregon