

SB 728 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

Prepared By: Channa Newell, Counsel

Meeting Dates: 3/5

WHAT THE MEASURE DOES:

Includes insurance within Unlawful Trade Practices Act (UTPA). Makes violation of Unfair Claim Settlements Practices, ORS 746.230, actionable under the UTPA. Requires approval of rules declaring insurance related actions covered by Insurance Code by Department of Consumer and Business Services prior to Attorney General taking action on insurance-related UTPA violations. Makes technical modifications. Requires request from Department prior to Attorney General taking action on conduct covered by insurance code. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Unlawful Trade Practices Act (UTPA) was enacted by the Oregon Legislature in 1971. The UTPA defines and prohibits various unfair and deceptive trade practices. While the UTPA authorizes the Attorney General or district attorneys to bring suit, it also authorizes a right of action for individuals in certain instances. Currently, insurance trade practices are regulated in ORS chapter 746 and are not subject to the UTPA.

Senate Bill 728 adds insurance into the categories of goods and services subject to the UTPA and makes unfair claim settlement practices subject to the UTPA.