

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 respectfully ask the Senate Judiciary Committee to oppose Senate Bill 728.

I have been working in the insurance industry for over 12 years and I have a JD from Lewis and Clark. All of that is to say that I am very familiar with the ins and outs of Oregon's insurance laws and consumer protections policies.

I say without bias that Oregon can boast some of the strongest consumer protection laws and regulations in the country. We have a well-regarded Oregon Insurance Division that ensures fair practices that protect the consumer and we have Department of Consumer Business Services (DCBS) that can provide restitution to Oregonians in cases of disputed claims and/or violations of the insurance code.

The system works providing Oregon with some of the most affordable insurance rates in the nation while ensuring strong protections for consumers. SB 728 will push that system of its axis and consumers will pay the price.

SB 728 will allow lawyers to file two lawsuits on single insurance claim – one against the defendant for damages, and one against the defendant's insurance company for claims handling procedures. Florida's experiment with this type of litigation started in 1995. The average bodily injury claim payment per insured vehicle in Florida grew 68 percent between 1995 and 2013. Other states that have allowed bills like SB 728 have gone on to overturn/reform them. A 2011 study by the Insurance Research Council found that third-party litigation reforms adopted by the West Virginia State Legislature in 2005 were estimated to have reduced underlying insurance coverage costs by approximately \$200 million in the five-year period after the reforms were enacted.

Again, I know the insurance industry and I know the law. The law works; consumer protections are strong and the justification for such a law here in Oregon seems murky at best.

In the interest of all of us Oregon consumers, I hope you will oppose SB 728

Respectfully,

Allan Nazarov, JD, CPCU