

From the Office of Sen. Floyd Prozanski



Oregon Consumer Justice

Unfair and Unlawful Insurance Practices

HB 3242B and HB 3243A



Over the years and decades, consumers invest their dollars into insurance premiums that promise they are in good hands when the unexpected or tragedy occurs. But what happens when these policies are needed, and insurance companies fail to meet their promises, making a bad situation worse? HB 3242B and HB 3243A will give recourse to Oregon consumers by strengthening our laws to hold insurance companies accountable.

THESE BILLS PROVIDE MORE ROBUST ENFORCEMENT OF EXISTING LAW AND DO NOT CHANGE OR INCREASE REQUIREMENTS FOR THE INSURANCE INDUSTRY.

Frequently Asked Questions

Can't consumers already be compensated for damage caused by unfair delays and denials in settling claims?

NO. Under current law, consumers (individuals and small businesses) cannot be fully compensated for the harm that results from illegal delays and denials in paying claims. As the law stands, consumers who are successful in court can only recover any money initially owed. They, however, have no legal recourse to seek compensation for the impacts of having their lives turned upside down by insurance companies that make them wait to rebuild their home after a wildfire or to pay medical bills after a car crash.

Will HB 3242B and HB 3243A increase premiums?

NO. The bills only impact companies that are currently doing illegal things. Companies that obey the law will experience no change in their operations. The insurance industry is incredibly competitive, hence all the advertising. Competitors will have an advantage in the marketplace if a company decides to increase its premiums.

Why do we need both bills? Can't we just do one or the other?

The bills are complementary. HB 3243A allows individual consumers access to enforcement and empowers the Attorney General to enforce the law when DCBS and the AG identify patterns of unfair settlement practices.

HB 3242B aligns the enforcement of existing law with an Oregon Court of Appeals decision. Why do we need to do this now when the Supreme Court might issue a different ruling any day now?

Consumers need protection today. The legislature urgently needs to act before Oregonians have a collective insurance crisis due to wildfires, tsunamis, or earthquakes. We saw [what happened in Mississippi after Hurricane Katrina](#) when community resilience was due to unfair delays and denied claims by insurance companies.

Will companies stop selling policies in Oregon due to these bills?

NO. This law aligns Oregon with similar laws in Washington, California, and Nevada.

Won't this just line the pockets of trial lawyers?

NO. If the insurance company does not break the law, lawyers do not get paid. Lawyers fighting for consumer rights only get paid when they win. They front the costs for consumers who want to go to court, making it bad business to waste resources on cases that are going to lose.

Has there been any give and take on these bills with or are these just being crammed down the throat of the insurance industry?

The bills have been scaled back in both chambers. HB 3242B was amended to remove the impact on insurance agents in the House. Their trade association is now neutral on HB 3242B. The Senate Judiciary Committee removed medical malpractice from HB 3242B. And HB 3243A was streamlined and amended to simply allow the Attorney General to enforce the law when they see a pattern of unfair settlement practices.

For more information: *Chris Coughlin, Oregon Consumer Justice, 503-312-8178,*
ccoughlin@ocj.org