

HB 2130 STAFF MEASURE SUMMARY

Carrier: Sen. Prozanski

Senate Committee On Judiciary

Action Date: 05/01/23

Action: Do pass.

Vote: 3-2-0-0

Yeas: 3 - Gelser Blouin, Manning Jr, Prozanski

Nays: 2 - Linthicum, Thatcher

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 4/20, 5/1

WHAT THE MEASURE DOES:

Eliminates requirement that Attorney General appoint a provider of a nonbinding environmental claims mediation program and set standards by rule for the program's mediator qualifications and fees.

ISSUES DISCUSSED:

- Insurer refusal to participate in nonbinding mediation is an unfair practice
- Good faith requirement would not change
- Cases involve only private parties
- Parties have chosen to directly engage private mediators
- Contract renewal for the provider is in 2024
- How fees for mediators are otherwise regulated

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's Environmental Cleanup Assistant Act was enacted in 1999. In 2013, the Legislative Assembly specified that an insurer's duties when environmental claims are filed against its insured include participation in nonbinding environmental claim mediation upon the insured's request. It also enacted the requirement that the Attorney General appoint a provider to run an environmental claims mediation program, make rules that set standards of qualifications, training and experience for the mediators, and make rules setting the schedule of fees for the program. However, parties have not utilized the program and instead have used privately contracted mediators.

House Bill 2130 eliminates the requirement that the Attorney General appoint a provider and make rules for a nonbinding environmental claims mediation program.