

HB 3242

House Business and Labor Committee
3/1/2023

Mr. Chair and Members of the Committee:

For the record, my name is Kelsey Wood, owner of Gordon Wood Insurance in Roseburg, Oregon. I am opposed to HB 3242.

The type of “bad faith” lawsuits this bill would allow for will hurt Oregonians by disrupting our insurance market at a time when consumers are being pinched by inflation and rising costs.

House Bill 3242 would:

- Impose new costs on insurers, which studies show may risk raising rates;
- Divert state resources at a time when people are facing inflation;
- Delay resolution of claims by encouraging protracted litigation.

We have seen how these types of lawsuits impact consumers in other states. When “bad faith” lawsuit legislation passed in Washington, homeowner insurance claims costs in the first two years were estimated to be \$190 million higher than they would have been without the law. (Citation: *Insurance Research Council, "The Impact of First-Party Bad-Faith Legislation on Key Insurance Claim Trends in Washington State", March 30, 2011*)

In addition to the risk they pose to rates, this legislation is also unnecessary because current law provides strong protections for Oregon consumers, and insurers are already regulated by some of the toughest consumer protection laws in the country.

Now is not the time to disrupt our insurance market and risk higher rates for Oregonians. **I urge you to vote “NO” on HB 2920.**

Thank you. I am happy to answer any questions.

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