



February 4, 2026

TO: Chair Sosa, Vice-Chairs Chaichi and Osborne, House Committee on Commerce and Consumer Protection

FROM: Ryan Chieffo, Director of Government and Regulatory Affairs, on behalf of Standard Insurance Company

RE: Opposition to HB 4098

Standard Insurance Company (“The Standard”) is Oregon’s largest headquartered insurance company. We have been an Oregon company since our founding in Portland in 1906. We are one of the largest private employers in downtown Portland, serving individuals and businesses in Oregon and across the country and providing life insurance, disability insurance, annuities, and retirement plans. I write on behalf of The Standard to convey our opposition to HB 4098.

Over at least the last several sessions, the Legislature has rejected bills similar or identical to HB 4098 as bad public policy. This current bill is more of the same.

HB 4098 will increase costs when Oregonians are desperate for affordability

This legislation – which has not been requested by Oregon’s well-respected insurance regulator – will make providing insurance and employee benefits more expensive in Oregon by incentivizing premature and unnecessary litigation. The higher costs incurred by insurers will need to be passed on to consumers through higher premiums.

Oregonians are suffering with increased costs in nearly every aspect of their lives, and affordability and cost of living are some of the top concerns of Oregonians. Further, Governor Kotek has released a Prosperity Roadmap seeking to address Oregon’s economic and competitiveness issues. The goals in the Roadmap include improving Oregon’s Top States for Business ranking. Both insurance costs and lawsuit climates are part of those rankings.

If passed, this bill will hamper Oregon’s affordability and economic progress. It will create increased costs for consumers and negatively impact the insurance market. The effects on insurance companies will fall disproportionately on Oregon-based insurers like The Standard, as we have larger concentrations of Oregon customers than our out-of-state competitors. And for life and health insurance, it will provide consumers with confusingly different remedies based on how they get their insurance and the type of employer they work for.

HB 4098 creates remedies for public sector employees and increases expenses for public budgets

HB 4098 does not work in conjunction with the existing federal regulatory scheme for private sector employee benefits including life, health, dental, vision and disability insurance. It will create competing

regulatory regimes and disparate remedies and damages depending on how Oregonians get their insurance policies. The majority of Oregonians get their life, disability and health benefits through their employer, and the majority of those workers are employed by private sector companies. Private sector employee benefits are governed by federal ERISA legislation and rules, meaning that workers with private sector jobs will not fall under the HB 4098 framework at all. This type of “bad faith” litigation was intentionally excluded under ERISA by Congress to encourage employer adoption of affordable benefits coverage for their employees.

However, ERISA does not govern public sector employee benefits. One result of HB 4098 will be that Oregonians working for public employers will have different – and excessive in our opinion – remedies than their private sector counterparts. Richer remedies and increased litigation for public employee benefits will lead to higher costs for their public employers and strain on already-stretched state and local government budgets. At the very least, this bill should be analyzed to determine the fiscal impact to the state budget before becoming law.

HB 4098 undermines a strong industry regulator that helps consumers for free

Insurance is a comprehensively regulated industry, and unique in how it is regulated, which is why it is explicitly excluded from the Unlawful Trade Practices Act. The Division of Financial Regulation (“DFR”) within the Department of Consumer and Business Services, wields a broad set of laws and regulations to ensure every aspect of the business done by insurers is consumer-friendly and compliant. DFR regularly examines the market conduct and financial stability of Oregon insurers to ensure they are treating customers fairly, following the law, and are financially able to pay claims.

In response to complaints or concerns raised by consumers, or through any of their regular dealings with the insurance companies, DFR investigates potential wrongdoing. It maintains a group of well-trained advocates assigned to assist consumers in resolving complaints against insurers, at no cost to the consumer. In 2024, DFR recovered \$8.9 million for consumers as a result of their complaints against insurers. In the first three quarters of 2025, DFR recovered \$5.6 million for consumers.

Oregon’s comprehensive regulatory framework is capped by DFR’s unprecedented authority to protect consumers and penalize insurance companies when those companies violate laws and regulations. DFR’s already-strong enforcement structure was made more robust in 2013 when, in response to a proposal similar to HB 4098, the Legislature passed a compromise bill negotiated between advocates, DFR, and industry, including The Standard. That bill created ORS § 731.256, which gave DFR unique authority to order insurance companies to pay restitution, claims, and any other equitable relief DFR deems appropriate – authority that continues to be available to Oregonians at no cost. In 2024, DFR levied more than \$9.4 million in penalties and restitution against insurers for wrongdoing.

This bill will incentivize harmed consumers to go to court instead of to DFR. Bypassing the regulator will undermine its ability to translate individual consumer issues into industry-wide monitoring and reforms, leaving similarly situated consumers with less protection.

To provide new legal remedies only to some Oregonians that are already available through DFR at no cost, this bill will increase the cost of insurance for all Oregonians and put pressure on public budgets. Now is the worst time to increase costs on Oregonians and businesses, and this bill will do just that the

regulator charged with overseeing the industry asking for this type of legislation. I urge you to vote "NO."

Thank you.