



## **2026 House Bill 4098**

**Relating to violations of the Insurance Code as unlawful trade practices. Adds insurance to definition of goods and services that are subject to penalties for unlawful trade practices.**

Dear Chair Sosa, Vice-Chairs Chaichi and Osborne, and Members of the House Committee on Commerce and Consumer Protection:

The Oregon Land Title Association (OLTA) is the professional association for the title insurance industry in Oregon. OLTA's membership includes title insurance underwriters and underwritten agents, many of which are locally owned throughout the state. OLTA promotes the educational, ethical, and legislative interests of the title industry. OLTA works with regulators, legislators, county clerks, and the public to ensure the title industry is responsive to evolving customer needs.

### **OLTA opposes House Bill 4098**

The Oregon Legislature has exempted insurance from the Unlawful Trade Practices Act (UTPA) for at least 50 years, despite repeated attempts to include it.<sup>1</sup> Insurance is exempt for good reason. In Oregon, insurance companies are regulated by the Department of Business and Consumer Services through its Department of Financial Regulation (DFR). Pursuant to its rule-making authority, the DFR adopts administrative Rules under the Insurance Code to guide the conduct of Oregon insurers.

DFR gained these powers as the result of a compromise Bill passed in 2013 negotiated between advocates, DFR, and the insurance industry, in response to a proposal to include insurance in the UTPA. The compromise resulted in ORS 731.256, which gives DFR ample authority to order insurance companies to pay restitution, claims, or make non-monetary relief it deems appropriate, all available at no cost to Oregonians and without court action.

In 2024 alone, DFR levied more than \$9.4M in penalties and restitution against insurers for alleged wrongdoing, per the testimony of Standard Insurance Company submitted in opposition to 2025 Senate Bill 174, which did not pass, but like the current Bill, sought to include insurance within the scope of the UTPA.<sup>2</sup>

Pursuant to its rule-making authority, DFR has promulgated Rules under Insurance Code section 746.230, which can be found at Oregon Administrative Rules 836-080-0215 to 0235.<sup>3</sup> These Rules require prompt claim acknowledgment, handling, and settlement. They provide clear guideposts for insurers throughout the process with definite timelines.<sup>4</sup> The Rules represent a well-coordinated regulatory scheme by which insurers are already bound, at pain of DFR enforcement action for failure to comply.

For closely regulated industries such as insurers, a regulatory scheme such as the Insurance Code and related Administrative Rules providing clear guidelines are preferable to the uncertainty created by a new cause of action under the UTPA. Invariably any increased costs of litigation are passed onto consumers in the form of increased rates.

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<sup>1</sup> See 1973 ORS § 646.605(7), excluding 'insurance' from the definition of 'real estate, goods, and services' covered by the UTPA, available [here](#).

<sup>2</sup> This paragraph adapted from StanCorp's written testimony of March 4, 2025 in opposition to a prior Bill.

<sup>3</sup> <https://secure.sos.state.or.us/oard/view.action?ruleNumber=836-080-0215> to <https://secure.sos.state.or.us/oard/view.action?ruleNumber=836-080-0235>

<sup>4</sup> Here are a few Rules pertaining the claims process: OAR 836-080-0215 requires that a claim file be maintained in sufficient detail to allow reconstruction of pertinent dates and events. OAR 836-080-220 (1) requires an insurer to disclose all policy terms and coverages to a first-party insured; (2) proscribes concealment of benefits pertinent to the claim; (4) limits the insurer's ability to deny untimely claims in some circumstances; (5) prohibits over-broad releases of liability; and (6) prohibits partial claim checks conditioned on a full release of liability.

In any case, title insurance should be exempted from HB 4098

The Insurance Code and Administrative Rules provide an extensive regulatory scheme with clear guidelines for the DFR to regulate Insurers in Oregon. If the Bill proceeds, it should be amended to exclude title insurers.

In fact, title insurance producers are subject to the Insurance Code specifically for regulation of unfair trade practices.

Oregon Revised Statute 744.086, applicability of Insurance Code to insurance producers transacting title insurance, provides:

The Legislative Assembly finds that it is in the interest of the insurance-buying public that insurance producers authorized to transact title insurance be subject to the Insurance Code. It is declared to be the intent of the Legislative Assembly that the Insurance Code shall apply to such insurance producer **only to** the extent necessary for the regulation of title insurance ratemaking and **unfair trade practices**. [Formerly 744.240; 2003 c.364 §24]

HB4098 exempts producers from the UTPA. Title insurers, like their producers (underwritten agents), should remain exempt from the UTPA.

UTPA's consumer protection thrust misses the mark as it relates to title insurance. Generally, consumers do not shop for title insurance. Owner's policies are optional. Insurers don't actively solicit business directly from consumers. The vast majority of our business is directed by other real estate professionals – either real estate agents who represent sellers and buyers or institutional lenders who fund transactions. These relationships are regulated by OAR. Once an order is opened, the sole consumers are the residential seller and buyer, and our relationship with these parties is also governed by statute, regulation, and common law.

Title insurance is not like other kinds of insurance. Title insurance premiums are paid once, at date of policy. Title insurance policies are based on matters existing as of the date of policy. Policies are not renewed or re-negotiated after closing, so there is no opportunity for an insurer to arbitrarily increase premium rates. Title insurance forms and rates are set forth in a rating manual, which is actively regulated by the DFR, and rates are supported by actuarial justifications.

Conclusion

The Oregon Land Title Association urges you to **oppose** HB 4098 or, in the alternative, exempt title insurers from the UTPA.

Thank you for your consideration of this input from OLTA.

**Submitted by Ian Kyle, Chair, OLTA Legislative Committee**