



February 5, 2026

TO: Members of the House Committee on Commerce and Consumer Protection
FR: Derek Sangston, Oregon Business & Industry
RE: Opposition to HB 4098 – UTPA Expansion

Chair Sosa, Vice-Chairs Osborne and Chaichi, members of the House Committee on Commerce and Consumer Protection. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,500 member companies, more than 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 4098. OBI opposes HB 4098 because - by subjecting the Unfair Claims Settlement Practices Act, a regulatory tool that uses intentionally broad language to give regulators flexibility to investigate patterns of misconduct, to private lawsuits and class actions under the Unlawful Trade Practices Act – the bill would risk destabilizing Oregon's insurance market and significantly increase costs at a time when Oregonians are saying affordability is their top concern.

Unlike other states with similar laws that allow bad-faith lawsuits, HB 4098 would impose this liability without important safeguards to prevent abuse. For instance, Florida and Texas require a notice period prior to allowing plaintiffs to file a lawsuit while Washington and Connecticut either cap damages or require proof of a pattern of bad behavior and Montana and Wyoming restrict third-party lawsuits. Not only are businesses in Oregon already the 7th most regulated state in the country, but HB 4098 would add the most extreme insurance regulatory scheme to it. Making Oregon – which already ranks 47th for business friendliness even less so because a state's liability climate is considered in that ranking.

Finally, studies show expanding litigation against insurance companies to include third-party lawsuits, as HB 4098 would, leads to drastic increases to insurance costs borne by Oregon consumer and duplicative regulation generally reduces employment and wages. Oregon already possesses many consumer protections to hold bad actors accountable. Consumers can already file a lawsuit or a complaint with the insurance commissioner. Thereafter, courts can hold insurers liable for emotional distress and the Division of Financial Regulation can order them to pay claims, require restitution or levy fines. By adding yet another regulation, HB 4098 would raise consumer prices and reduce economic development in this state.

For those reasons, I request that this committee reject HB 4098. Thank you for your consideration.
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