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Senate Democrats champion transparency for insurance marketplace

SB 1591 compels release of records when insurers act unlawfully

SALEM – Oregon Senate Democrats voted today to increase transparency in the insurance industry by compelling release of the details of complaints against insurance companies. Senate Bill 1591 passed by a 26-1 vote today on the Senate floor.

“Insurance is the only line of business exempt from Oregon’s anti-fraud statute,” said Sen. Chip Shields (D-Portland), who carried the bill. “It became clear to me that Oregon is an outlier in the west in that it has virtually no mechanisms to incent good faith and fair dealing by insurance companies when it comes to their duty to defend the policyholder when the policyholder is being sued and timely investigation and payment of meritorious claims. This bill moves Oregon one step closer in holding these companies accountable by requiring the Department of Consumer and Business Services to release detailed records – with names redacted for confidentiality – of complaints against insurance companies.”

The public currently doesn’t have access to the details in insurance company complaints and there’s no database available that tells how many insurers breach their duty to defend their clients against lawsuits. This bill improves transparency for consumers shopping for insurance plans. The bill makes all complaints against insurers a public record. The manner in which the regulatory agency addressed the complaint will be available with each complaint.

“I asked a group of bipartisan senators to come together over the last year in a workgroup to see if we could find common ground on the most pressing insurance concerns,” Shields said. “We heard from insurers, policy holders and the agency regulating this industry. There are

some people and groups who oppose this bill because it doesn't go far enough, and there are some people and groups who oppose this bill because it goes too far. That says to me that we struck a pretty good compromise."

SB 1591 now will go to the House of Representatives for consideration.

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