



# SENATE MAJORITY OFFICE

Oregon State Legislature  
State Capitol  
Salem, OR

## NEWS RELEASE

April 10, 2013

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### **Insurance claims bill to support economy and environment passes Senate**

*SB 814 gives companies more tools to collect on environmental claims, expediting cleanup of polluted sites*

SALEM—Today the Oregon Senate voted to ensure that companies and ports have the tools to clean up environmental hazards and pollution at potentially contaminated sites. Senate Bill 814 modernizes Oregon’s Environmental Cleanup Assistance Act by making it easier for companies to resolve environmental claims and recover costs from insurers so that they can proceed with cleanup activities.

“Industries, businesses, and manufacturers need certainty that their insurance claims will be paid in order to comply with orders to clean up the Portland Harbor,” said Senator Betsy Johnson (D-Scappoose). “This bill gives affected companies the tools to navigate environmental insurance claims and get the resources they need to be good stewards of both the economy and the environment.”

SB 814 provides relief for companies by strengthening the cleanup assistance law to include a new list of unfair environmental claims settlement practices and a private right of action for policyholders to pursue insurance companies based on the list. The bill also provides for a non-binding mediation process to encourage resolution of disputes over claims. Since cleanup efforts are funded by insurance claims, policyholders will have more ways to obtain much-needed resources from their insurance policies to comply with federal and state requirements.

“SB 814 will give shipbuilders and riverside industries in my district the tools they need to proceed with cleaning up pollution of the lower Willamette River,” said Senator Chip Shields (D-Portland). “Holding insurance companies accountable to their policyholders by giving businesses a private right of action will ensure that these companies can be environmentally-conscious while continuing to put thousands of Oregonians to work.”

In 1999, the Oregon Legislature passed the Environmental Cleanup Assistance Act to respond to complaints that insurers were resisting payment of claims related to environmental liability, such as cleanup activities related to the Portland Harbor Superfund site. While that law provided some ability for companies to get their claims processed by insurers, today policyholders still report that under the current law they are experiencing delays and nonpayment from insurers on environmental claims.

Washington and California have already adopted the environmental claims standards outlined in SB 814, including the private right of action for unfair settlement practices and mediation. A comparison of premium costs between Oregon and these two states with stricter requirements indicates that SB 814 will not increase premiums, but it will provide more predictability and certainty to companies trying to comply with cleanup orders.

“I firmly believe this is a ‘jobs bill’,” said Johnson. “We’ll be able to protect existing employment and create the opportunity for new business investment in the future.”

“Providing a measure of fairness to make insurers pay claims will contribute to a cleaner environment while keeping our economy on the move,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “Insurance companies shouldn’t hold up payments our communities need in order to clean up environmental hazards and get people to work.”

SB 814 now proceeds to the Oregon House of Representatives for consideration.

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