



SENATE MAJORITY OFFICE

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Legislation holds insurance companies accountable to Oregonians *SB 414A allows state agency to seek restitution for consumers when insurers violate state law*

SALEM—Today the Oregon Senate voted to give the Department of Consumer and Business Services (DCBS) more authority to hold insurance companies accountable for dealing fairly with families and small businesses. Senate Bill 414, which allows DCBS to award restitution for policyholders, passed on a vote of 19-10 with one excused.

“Middle-class families and small businesses need more avenues to hold insurance companies accountable for their harmful violations of consumer protection laws,” said Senator Chip Shields (D-Portland), chair of the Senate Committee on General Government, Consumer and Small Business Protection. “Allowing consumers to seek restitution in the case of damages is a matter of basic fairness. SB 414A gives vulnerable Oregonians an avenue to seek relief from unlawful or harmful insurance practices through DCBS, and the legislature will look to DCBS to use the full force of their new authority to protect consumers.”

Insurers in Oregon are subject to the Insurance Code, a set of Oregon laws that protect consumers by regulating the insurance industry. Currently, the director of DCBS has several options to hold insurance companies accountable for violations, including the option of revoking an insurer’s license to operate in Oregon.

Senate Bill 414A gives the director of DCBS power to seek restitution and other equitable relief on behalf of consumers who suffer damages as a result of an insurer’s violation of the Insurance Code. Individuals would not have a right of action against insurance companies in SB 414A.

“Oregonians who play by the rules deserve fairness from their insurance companies. Insurers that break the law and cheat consumers need to be held accountable,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “SB 414A allows consumers to seek justice when they are hurt as a result of bad actions by an insurance company by ensuring that Oregonians receive the insurance coverage to which they are entitled.”

According to Department statistics, DCBS processed 3,228 consumer complaints about insurance companies in 2012.

Senate Bill 414A now heads over to the Oregon House of Representatives for consideration.

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