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## Public Hearing before the Senate Committee on Labor and Business

April 18<sup>th</sup>, 2023

*In Support of HB 2982A*

Chair Taylor, Vice-Chair Bonham, and Members of the Committee:

On behalf of the Oregon Law Center, please accept this testimony in support of HB 2982A with its pending A4 amendments, which will improve the insurance claims process for victims of extreme loss that occurs as a result of a major disaster. This bill will improve coverage and assist in recovery. It will benefit any Oregonian who is the victim of such loss, but most particularly will be of critical importance to low- and moderate-income Oregonians for whom insurance coverage may be their only hope of re-establishing their homes and lives in the aftermath of trauma. The A4 amendments contain clarifying language to address feedback from industry.

The Oregon Law Center (OLC) is a state-wide non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. OLC is committed to efforts designed to remove systemic barriers to safety, stability, and security for our client communities. HB 2982A will help ensure that our client communities have more equitable access to resources and assistance in the aftermath of major disaster.

Many Oregonians lost their homes and all their possessions during devastating wildfires in recent years, and we know that we are at risk of future such disasters. In the aftermath and trauma of a major disaster, when there is often total loss of home and property, it can be impossible for victims to sufficiently itemize all of their belongings. This can be even more difficult for elderly victims or victims whose primary language is not English. Under current law, without specific itemization, many insurance policies deny coverage. Many victims of the state's previous wildfires remain without housing and are still struggling to recover, in part because of the financial toll of the disaster. More accessible insurance coverage would have helped offset those financial tolls, and assisted many people in their recovery.

HB 2982A will require insurers to offer 70 percent of previously purchased coverage without requiring an inventory document, if the loss is a result of a major disaster. The bill allows for greater recovery for those consumers who *are* able to submit itemized documentation, but addresses a major fairness and equity issue by removing the ability for insurers to deny coverage for those who are unable to specifically itemize. **OLC would strongly support additional amendments to increase the % of previously purchased coverage available without itemization after a major disaster. Additional protection would be in keeping with consumer protection principles and with the very purpose of insurance against major disaster.**

Importantly, HB 2982A increases transparency in the depreciation methodology process and requires prompt payment of claims for undisputed losses. The changes proposed by the bill will

ease the recovery process for victims of major disasters, particularly impacting victims without other financial means of reestablishing their lives after major loss.

For the above reasons, we respectfully urge your support of HB 2982A with the pending amendments and urge further protection to even better address the dire circumstances in which itemization of total loss is impossible in the wake of a disaster.

We thank Representative Marsh for her dedicated efforts to respond to the needs of her community and we thank the committee for your work and attention to this important matter.