



Congress of the United States  
House of Representatives  
Washington, DC 20515

April 25, 2002

Gene Derfler  
Senate President  
Oregon State Senate  
900 Court Street, NE  
Room S-203  
Salem, OR 97301

Mark Simmons  
Speaker of the House  
Oregon State House of Representatives  
900 Court Street, NE  
Room 269  
Salem, OR 97301

Kate Brown  
Senate Democratic Leader  
Oregon State Senate  
900 Court Street, NE  
Room S-323  
Salem, OR 97301

Debra Kafoury  
House Democratic Leader  
Oregon State House of Representatives  
900 Court Street, NE  
Room H-395  
Salem, OR 97301

Dear Sen. Derfler, Speaker Simmons, Sen. Brown, and Minority Leader Kafoury:

We were disturbed to read a recent *Houston Chronicle* article from April 24, 2002 that describes one business practice of Portland General Electric, the Enron subsidiary and utility company.

According to the article, Portland General Electric (PGE) buys life insurance policies on the lives of its rank-and-file employees and designates the company as the beneficiary. In turn, PGE uses the insurance proceeds from the death of rank-and-file employees for special compensation and retirement benefits for its top executives and directors. This is an unconscionable practice that the Oregon Legislature must investigate. In fact, sixteen states including Texas, currently outlaw this practice. Unfortunately, Oregon does not.

These policies aren't intended to benefit employees. In fact, most employees don't even know that their employers have policies on them. If an untimely death befalls an employee, an employer can reap a six-figure profit from employees covered by a 'dead peasant' plan. The families get nothing.

We strongly urge you to work with your colleagues and the State Insurance Commissioner to develop a legislative solution to this outrageous practice.

Sincerely,

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PETER DeFAZIO  
Member of Congress

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DAVID WU  
Member of Congress