



March 15, 2017

To: House Committee on Business and Labor
From: Anthony K. Smith, State Director, NFIB/Oregon
Re: Oregon Small Businesses Oppose HB 2858

Chair Holvey, Vice-chairs Bynum and Barreto, Members of the Committee,

On behalf of nearly 7,000 Oregon small business members of the National Federation of Independent Business (NFIB), I urge you to oppose HB 2858, which would risk increasing insurance premiums for small businesses and all other Oregon insurance policyholders including drivers, renters and home-owners – virtually every Oregonian.

Please keep in mind that NFIB represents small businesses in every industry of Oregon's private sector, and while 70 percent of NFIB/Oregon businesses have fewer than 10 employees and 90 percent have fewer than 25 employees, ***our small business-members employ over 60,000 Oregonians.***

In addition to the insurance policies that most Oregonians purchase like health insurance and auto insurance, Oregon small businesses have an even greater need for insurance. Many of these insurance policies are required by law, or as a condition of doing business with other public or private-sector entities, so any increase in cost can have a direct impact on the bottom line for the business. These costs are determined by the market, not by the business, and are thus an uncontrollable business expense.

HB 2858 expands the role of the Department of Business and Consumer Services (DCBS) into an investigatory agency rather than a resolution-driven consumer advocate, and requires DCBS to investigate a complaint when a claimant believes a violation of the Insurance Code is "about to occur." HB 2858 also allows plaintiff's attorneys to request complaint information gathered by DCBS during its investigation, and even allows those attorneys to file two lawsuits on a single insurance claim – one against the defendant and one against the defendant's insurance company.

These changes in the law would almost certainly give rise to a significant increase in the number of lawsuits filed against insurers and policyholders, which must necessarily impact premiums by the very nature of the insurance market.

Again, Oregon small businesses cannot afford to pay more for the insurance policies that they need, and in many cases, are required to have. On behalf of the thousands of NFIB member-businesses in Oregon, and the tens of thousands of jobs that depend on them, we urge you to oppose HB 2858.

Thank you for your consideration,

A handwritten signature in blue ink, appearing to read "Anthony K. Smith", is positioned above the typed name.

Anthony K. Smith
NFIB/Oregon State Director