



National Association of Insurance and Financial Advisors - Oregon

April 12, 2017

Opposition to SB 977

Chair Prozanski and Members of the Committee,

NAIFA is a trade organization which represents insurance agents and financial advisors who focus mainly on health insurance, life insurance and annuities. Many of our members are independent businesses who hire employees and train them to be productive agents. Insurance laws require agents to receive many hours of education and training. This investment in training represents tens of thousands of dollars before that employer receives a return on the investment of both time and money spent on the employee.

Non-complete clauses are very common in the insurance business as that is the only way an employer has to recoup the large investment in training provided for their employees. SB 977 reduces the number of months a former employee cannot compete for the employer's customers from 18 to six months. The customer list is the most essential element of an insurance agency's success, and to make this drastic change could greatly hurt these small businesses.

In addition, there may be benefits to the customers also if they cannot be bothered by the solicitation of past employees for a longer period. The current law does not prevent the customer from seeking out the ex-employee and using them for their agent, if he/she wants on their own initiative.

NAIFA would ask that you not support SB 977 and keep the current law which is working as intended.

Thank you.

Roger Beyer, Lobbyist
National Association of Insurance and Financial Advisors