

February 7, 2017

Senate Health Care Committee
RE: SB 271

Dear Madam Chair and Members of the Committee:

The Professional Insurance Agents of Oregon/Idaho strongly supports Senate Bill 271, which codifies that "small employer" means an employer who employs an average of at least one but not more than 50 full-time equivalent employees.

The Division held an advisory committee on this subject and we participated prior to session.

There are points to be considered by limiting the definition to 50, in terms of not including groups 51-100.

- Employers with 51-100 employees have bargaining power with insurance companies that they cannot afford to lose by being included in the definition of small employers in Oregon.
- Groups with 51-100 employees have the ability to design and manage their group insurance costs and benefits to attract and retain good employees and to remain stable and competitive in their marketplace.
- Employers with 51-100 employees are unique in the State of Oregon and represent a unique demographic in specialized industries, including a significant number of non-profit organizations. These businesses foster innovation and high productivity, a characteristic that does not need to be disrupted. If included in the small business definition they would lose this distinct advantage.
- Presumably, these 51-100 employee businesses would end up subsidizing smaller employers, thereby increasing the 51-100 employee business's costs and reducing their competitiveness or unique attraction to hiring and retaining high quality employees.
- These employers are actually "large employers" in the context of employers in Oregon.

As an association of professional insurance agents serving all sizes of clients, we encourage you to vote yes on Senate Bill 271.

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Professional Insurance Agents of Oregon/Idaho