

February 3, 2021

TO: Representative Brad Witt, Chair,
Representative Vikki Breese-Iverson, Vice-Chair
Representative Zach Hudson, Vice Chair
Members of the House Agriculture and Natural Resources Committee

CC: Rep. Ken Helm
Rep. Paul Holvey
Sen. Chris Gorsek
Sen. Floyd Prozanski

RE: **Insurer concerns regarding proposed HB 2548 – Wildlife corridor funding study**

Dear Chair Witt, Vice Chairs Breese-Iverson and Hudson, and members of the House Agriculture and Natural Resources Committee,

On behalf of our member companies and insurance policyholders, we wish to state our opposition to proposed **HB 2548**, which requires the Legislative Policy Research Office to conduct a study of using fees or surcharges imposed on Oregon auto insurance policies to fund the construction of wildlife crossings on Oregon public roadways.

The insurance company members of our three trade associations collectively underwrite the auto policies that insure the vast majority of commercial and private passenger vehicle drivers on Oregon's roads today. We are concerned that this approach – a study of the “logistics and benefits of imposing a fee or surcharge on motor vehicle liability policies” – is flawed.

First and foremost, wildlife corridors, to the extent they prevent collisions and save lives of both humans and animals, provide a benefit to *all* Oregon residents and visitors, as well as protect Oregon's spectacular natural environment. The cost of this larger societal benefit should be borne not by a select group of people (who are already doing their share by responsibly purchasing auto insurance coverage), but by a broad-based revenue source – or more broadly, by revenues already paid by taxpayers to maintain safe Oregon highways and the environment. We note for comparison that in the neighboring state of Washington, wildlife crossings on Interstate 90 and other state roadways have been funded without additional surcharges or fees on insurance policyholders.

In addition, we would point out:

- There is little or no “nexus” between auto liability insurance and collisions between vehicles and animals. In most cases, it is a driver's comprehensive auto insurance coverage that applies after a collision with a deer or other animal. Thus, “savings” that might be attributable to wildlife crossings will have little if any impact on loss costs related to auto liability insurance.
- In Oregon, wild animals most often cross rural narrow roadways in the mountains. The cost of providing animal crossings would be prohibitive on such roads because they do not lend themselves to such construction.

- The number of wildlife crossings needed, and the tremendous cost to build them, likely will far exceed any anticipated reduction in collisions or insurance claims. There will continue to be thousands of collisions on Oregon’s highways annually, attributed not only to collisions between vehicles and wildlife, but also other vehicles, trees, guardrails and other obstacles. Wet, icy conditions and inattentive or impaired drivers will still exist – and insurance loss costs are likely to be only minimally affected by the addition of wildlife crossings.
- Even if a reduction in claims costs and rates occurs, narrowly targeting a surcharge on auto premiums to finance such a project is unfair to insured drivers. A more general surcharge, tax, or fee related to auto registrations could be more appropriate because it would be broader based and apply to all auto owners in the state, not just those that are responsible enough to purchase auto insurance. Again, however, even this would not reflect all the beneficiaries of wildlife crossings, and we urge legislators to consider a broad-based funding approach that shares the responsibility for protecting wildlife and people among all residents of and visitors to Oregon.
- We do not support this study; however, if a should a study go forward, the appropriate agency to consult regarding any potential reduction in claims costs would be the Division of Financial Regulation, as the study must include actuarial information.

For these reasons, we respectfully request that HB 2548 be rejected in its current form.

Please feel free to contact any of us directly, or through our representatives in Salem – Shawn Miller for APCIA or Elizabeth Howe for NWIC – if we can provide any additional information.

Thank you for the opportunity to provide this testimony.

Respectfully submitted,

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