



Members of the House Committee on Business and Labor  
900 Court St. NE  
Salem Oregon 97301

Dear Chair Holvey, Vice Chairs Bonham and Graybar, Members of the Committee:

I am writing today in opposition to House Bill 2043.

The Klamath County Chamber of Commerce represents nearly 600 businesses in Klamath County. We work with the business community to enhance our local economies and promote our communities. We support policies that will spur local commerce and help businesses of all sizes succeed and, when necessary, we share our concerns about policy proposals that may have a negative impact on our business members and the communities in which they live and work. HB 2043 falls into the latter category.

HB 2043 radically alters the way auto insurance is priced by prohibiting consideration of risk-based factors that are accurate and objective across all categories of drivers. Most people save money when credit, education and occupation are used to assess how much you pay for insurance. A new survey by ECONorthwest found 56% of Oregonians save money on their car insurance when credit is used to assess how much they pay.

HB 2043 takes these tools that reduce prices away, thereby increasing the price for the majority of consumers who are already struggling to make ends meet during the COVID-19 pandemic recession. HB 2043 is modeled after California, where insurance prices are the fifth highest in the nation. According to Insure.com, customers in California – where credit, education and occupation use is banned in assessing insurance rates – pay \$600 more annually for insurance than Oregon customers.

While this bill applies only to personal auto insurance, for many of our small business owners, family budgets and business budgets are intertwined. For many of our business owners, their employees are like family. An increase in personal auto insurance will hurt business owner and employee alike particularly those who depend on their personal car for work. As COVID-19 has forced many business owners to be creative to keep their doors open, some businesses are using personal cars to reach their customers. For these businesses, passing HB 2043 will lead to a direct increase in operating costs. This bill will also have real impacts on local insurance agencies and agents, many of whom are active members in our Chamber and in our

communities.

It is also worth noting that, while many businesses have been shuttered due to the pandemic, losses for businesses owned by women, racial minorities, and immigrants have been especially severe. One factor, according to the National Bureau of Economic Research, is the lower rates of business revenue/income with which minority owned businesses operate. For these business owners, any increase in expenses, such as increased auto insurance premiums, are acutely felt.

As so many communities and businesses throughout our state are struggling amidst the COVID-19 pandemic and its economic fallout, now is not the time to increase burdens on family budgets of employees and employers working so hard to keep their doors open.

We respectfully ask you to oppose HB 2043.

Sincerely,

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