January 17, 2023

Hon. Paul Holvey and Members of the Committee
Committee on Business & Labor
Oregon House of Representatives

RE: HB 2052 – Relating to registration of business entities that qualify as data brokers

Chair Holvey and Members of the Committee:

Thank you for the opportunity to submit testimony on HB 2052, relating to registration of business entities that qualify as data brokers. On behalf of the National Insurance Crime Bureau (NICB), we would like to express our concern that the bill as drafted would restrict the ability of our organization to provide a valuable public service to the citizens of Oregon by combatting insurance fraud.

NICB is a not-for-profit organization that sits at the intersection between the insurance industry and law enforcement, helping to identify, prevent, and deter fraudulent insurance claims. NICB works with law enforcement entities, government agencies, prosecutors, and international crime-fighting organizations to facilitate the flow of insurance fraud reporting, allowing NICB member companies to report suspected fraud and other criminal conduct which is then passed along to state agencies.

HB 2052 will prevent NICB from fulfilling its significant public benefit to policyholders across Oregon. The term "licensing" is not defined and could be interpreted as providing data even absent a direct exchange of financial consideration. NICB is funded by assessments on our member companies. NICB does not receive financial renumeration for transferring data to law enforcement to help investigate and prosecute criminal cases. However, we have formal agreements with insurance companies and law enforcement agencies for sharing data related to suspected fraud and illegal activity. The term "licensing" could therefore include the transfer of data under these formal agreements.

NICB would like to respectfully request an amendment to either define "licensing" to narrow the scope of that term; or include an exemption that ensures NICB is able to continue our mission of preventing insurance crime and fraud. Licensing could be defined as "the grant of access to or distribution of data in exchange for consideration."

We look forward to working with the Committee to find an acceptable solution. Thank you for your consideration.

Best regards,

Howard Handler, MPPA
Senior Director
Strategy, Policy & Government Affairs