



February 22, 2023

**TO:** Members of the House Committee on Business and Labor

**FR:** Derek Sangston, Oregon Business & Industry

**RE:** Opposition to HB 2920

---

Chair Holvey, Vice-Chair Elmer, Vice-Chair Sosa, members of the House Committee on Business and Labor. For the record, I'm Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 2920. HB 2920 would significantly disrupt Oregon's auto insurance market by limiting the data insurers may use to set premiums. OBI opposes the bill as drafted because states that have already passed bills prohibiting auto insurers from considering risk-based data – like education, criminal history, and credit history – have seen insurance premiums rise and experienced disruptions to the insurance marketplace.

For instance, over 60% of Washington consumers saw their premiums rise when this policy was enacted in that state in 2021. More Washington consumers also got their applications for auto insurance rejected and many others needed to switch carriers. The market has since begun to recover since the decision to enact this policy was subsequently reversed.

Just like the consumers in Washington, the average Oregonian would pay substantially higher premiums due to HB 2920. In fact, a representative sample from the most common auto insurers in Oregon shows that nearly 60% of Oregonians will pay \$212 more on average for their insurance premiums. Using risk-based data also allows insurers to better underwrite risks, which produces more choices and market stability for consumers.

Oregon – like the rest of the United States – is in an extended period of steep inflation. Despite efforts by the Federal Reserve, prices remain 6.3% higher than they were at this time last year. If enacted, HB 2920 would add another significant price increase to average Oregonians' budgets – and after nearly two years of steep inflation, at a time they can least afford it.

Thank you for your consideration.

Contact: [dereksangston@oregonbusinessindustry.com](mailto:dereksangston@oregonbusinessindustry.com)