



Testimony to the
Senate Committee on Judiciary in Support of SB 848

February 22, 2023

Good afternoon, Chair Prozanski, Vice Chair Thatcher and members of the Senate Committee on Judiciary.

For the record, my name is Laurie Allen, CEO representing Allen Construction Management Services, LLC. My company is a COBID firm certified in Oregon as a DBE and WBE company. We have been in business in Oregon since August 26, 2013. For the first three years of our existence, we had zero revenue whatsoever but slowly and surely we have been awarded contracts and today we employ 30 wonderful employees. I am writing today to request your consideration to strongly support Senate Bill 848.

Oregon's engineers, architects and land surveyors care deeply about our communities, which is why we invest in our local economy, creating jobs and housing for Oregonians. Right now, we are being forced into unfair contracting practices called "duty to defend" clauses, which require us to pay the legal expenses for those involved in construction projects even before fault is determined. This is detrimental to all design firms but especially women, minority and emerging small businesses. Because engineers, architects and land surveyors are being forced to shoulder all the legal liability and legal expense far beyond what they're able to get insured for, fewer projects are being designed and built in our communities. This includes low-income public housing to help address Oregon's homelessness crisis.

Our firm's experience with duty to defend has been minimal in that we have never had a claim filed against us or been a part of a project that has gone into default for poor workmanship, design, etc. However, the potential exposure this duty to defend clause creates does impact our firm in the form of increased insurance premiums. Being a small business, every penny counts and we can't afford and should not be paying for damages that one, are not yet incurred, and two, we have no part of. This is unfair and not the way to help a small business expand.

We respectfully ask this committee to support SB 848. Passing this bill would eliminate bad and unfair contract practices and ensure everyone involved in a project pays their fair share of legal expenses. This isn't about shirking responsibility – it's about ensuring fairness so everyone is paying their own way and adequately protected by their insurance.

Thank you for your service and we are happy to be a resource if you have additional questions.

Thank you.

Sincerely,

Laurie Allen

Laurie Allen
CEO