



Chair Prozanski, Vice Chair Thatcher, Members of the Committee:

On behalf of the Gresham Area Chamber of Commerce and its members, I am writing to voice our opposition to House Bills 3242 and 3243.

We are very concerned about the detrimental impact these bills could have on Oregon's insurance market, and to the insurance premiums our businesses carry for their day to day operations. As you know well, the pandemic and now extreme inflation have greatly impacted most Oregon businesses. Locally, we are already seeing increased insurance premiums for auto and homeowners insurance due to the rising rates of crime in our community. These increases are on families as well as businesses. We are strongly urging legislators to be thoughtful before passing any laws that could further impact pocketbooks, and House Bills 3242 and 3243 would certainly do that.

Passing these bills will only incentivize lawsuits, which in turn will likely lead to increased premiums – as has happened in other states. After a court authorized third-party lawsuits in California, the number of claims and costs of resolving claims skyrocketed with bodily injury premiums rising 32–53% over a decade. Once the lawsuits were barred, premiums and claims costs declined dramatically. When bad faith lawsuit legislation passed in Washington, homeowner insurance claims costs in the first two years were estimated to be \$190 million higher than they would have been without the law.

Additionally, as written the legislation would allow lawsuits against insurers *and* insurance agents. Our membership includes local insurance agents, and as you know, many of them are small businesses of one to three people – important components of our local community who could now be faced with potentially business-ending lawsuits over claims resolution.

Lastly, we are concerned that these bills were not given the attention and analysis they deserved in the House – especially given the wide-ranging impacts they could have. There is a reason dozens of organizations and businesses, including Chambers across the state, are opposing them: taken together, these bills would result in extreme changes to our current, proven model of claims resolution.

Thank you for your time and consideration. Please oppose House Bills 3242 and 3243.

Sincerely,

A handwritten signature in black ink that reads 'Lynn Snodgrass'.

Lynn Snodgrass
CEO Gresham Area Chamber of Commerce