February4, 2026

Oregon State Legislature
House Committee on Commerce and Consumer Protection
900 NE Court St.
Salem, OR 97301

Small Businesses Opposes HB 4098

Attention Chair Sosa, Vice Chairs Chaichi and Osborne, and Members of the Committee,

On behalf of the Oregon Small Business Association and the small businesses we represent, I'm writing to express our opposition to HB 4098, legislation which would add insurance to the Unlawful Trade Practices Act (UTPA).

Oregon's businesses are already struggling as they face higher costs on a variety of fronts, from rea materials and labor to higher health care and business insurance costs. Now isn't the time to dig then into an even deeper hole.

Insurance is already heavily regulated in Oregon. By including it in the UTPA, HB 4098 creates overlap, confusion, and uncertainty. For small businesses, that uncertainty translates to higher costs, more lawsuits, and more time spent dealing with legal concerns instead of serving customers.

The OSBA is concerned that including insurance in the UTPA runs the risk of increased insurance premiums and reduced coverage options for our members. This could be especially harmful for small employers that already struggle to afford insurance. If insurers face broader legal exposure, they could pass costs down to down to consumers. For many small businesses, even a small premium increase can have catastrophic consequences.

The bill also paves the way for more litigation. Small businesses are not equipped to navigate complex legal claims, even when they've acted in good faith. The threat of lawsuits creates pressure to settle disputes quickly, simply to avoid legal costs.

HB 4098 risks unintended consequences that will hurt the small businesses that keep Oregon's economy running. Before adding more regulation, we urge the committee to consider the costs and burdens this legislation could place on small employers.

Please oppose HB 4098 and support policies that improve fairness without increasing costs. Thank you for your time and consideration.