

March 11, 2019

HB 2489

House Business and Labor Committee

Mr. Chair and Members of the Committee:

I am Lana Butterfield. Two of my clients have concerns with HB 2489 – both the Professional Insurance Agents and American Family Insurance.

The Professional Insurance Agents of OR/ID(PIAO/I) strongly opposes House Bill 2489 because:

- It has evident, obscure and serious unintended and unwanted consequences for both employees and employers, and might even create even worse circumstances than what it is seeking to improve.
- We endorse Elizabeth Tippett's testimony, which means this bill needs substantially more work and consideration for the bill to achieve its intended purpose.
- The committee should not move this bill forward until it has been revised or eliminated and alternative legislation is considered.
- This is not an emergency. It can wait until more thought and research goes into writing legislation that serves the intended purpose.

PIAO/I suggests that at least the following changes be made to HB 2489:

- 1) This bill should specifically cover only employment contracts (not extend to employment policies).
- 2) It should exempt employment contract with executives or employees represented by counsel, as these contracts aren't take it or leave it, but negotiated.
- 3) Include an exception to the two-week requirement in certain circumstances, perhaps only if the employee has had an employment agreement with prior employer and wishes to start before the two week period.
- 4) Consider some sort of allowance for contracts after employment starts by including an exemption to the two-week period prior to employment. Examples for the need for an exemption include: if employee is moving from one position to another, change in pay from salary to commissions, or change in status from exempt to non-exempt.
- 5) Remove Section 1(d), which renders unenforceable any contract longer than two years.

American Family Insurance suggests that non-disclosure agreements should be exempted as applied to insurance and financial institutions. This kind of agreement only prevents employees from disclosing confidential or proprietary information of the company - the employee isn't giving up any "rights". Section 1(e) renders unenforceable any provision that reduces the employee's privileges or remedies available under federal or state law. American Family Insurance believes non-disclosure agreements are permissible under state and federal law since they are not prohibited and are required as a condition of employment.

Thank you for your consideration.

Lana Butterfield
Professional Insurance Agents of OR/ID
American Family Insurance
lanab@teleport.com
503-819-5800