



May 7, 2019

To: Senate Committee on Judiciary
From: Anthony K. Smith, State Director, NFIB Oregon
Re: Oppose HB 2014

Chair Prozanski, Vice-Chair Thatcher, and Members of the Committee,

On behalf of the thousands of small-business members of NFIB in Oregon, I would like to share with you our concerns regarding HB 2014 – and ask you to join Oregon’s small businesses in opposing this legislation.

Please keep in mind that NFIB represents small businesses in every industry of Oregon’s private sector, and although 90 percent of our members have fewer than 25 employees – and 70 percent have fewer than 10 employees, the small businesses we represent account for over 60,000 Oregon jobs.

NFIB opposes HB 2014, which would remove the reasonable and constitutional \$500,000 statutory limit on noneconomic damages for all civil claims, except for wrongful death.

Objective and predictable economic damages are already unlimited and fully recoverable under current law, which is a fair and reasonable approach to our liability system because it takes into account medical costs, lost wages and lifetime earning potential. Noneconomic damages are subjective and unpredictable – and so they are limited in Oregon (and many other states) in order to bring stability to our liability system and ensure that the cost of liability insurance remains affordable.

By eliminating the cap on noneconomic damages in Oregon, all forms of liability insurance will become more expensive. Small businesses will have to pay more for the same general liability coverage – and if they can’t afford to pay more they run the risk of leaving themselves under-insured – and legally exposed to massive out-of-pocket costs.

Small businesses are also consumers, and in some cases even providers, of healthcare services. In recent years, many small businesses have already seen their health insurance premiums increase substantially. They regularly report that one of their biggest challenges is the high cost of health insurance coverage for themselves and their employees. Litigation and defensive medicine contribute to this cost.

NFIB opposes changes to our state’s reasonable limit on noneconomic damages so that we can continue to contain liability insurance costs and provide stability to the system as a whole. Given the likely negative consequences associated with this proposal, especially on Oregon’s small businesses who will always carry the burden of higher liability risks than the rest of us, we urge a NO vote on HB 2014.

Thank you for your consideration,

Anthony K. Smith
NFIB Oregon State Director