

Tanya Frantzen Testimony in Support of HB 3272

Chair Holvey and Members of the Committee,

My name is Tanya Frantzen and I live in Beavercreek. I am the proud owner of the B-Side Tavern and The Basement Pub in Portland. Growing and building these businesses has been my passion for the last 15 years. Being a business owner means being an employer. Being an employer, it is my job to take care of my staff. I take this responsibility very seriously and this is one of the reasons why getting my business interruption coverage denied during the COVID-19 pandemic was especially devastating. I am here today to speak in favor of HB 3272 because business owners and individuals deserve fair treatment from their insurance companies and should get the coverage they pay for.

In March 2020 as the pandemic began, the impact on business was evident right away.

Prior to bars and restaurants being closed by the Governor, we made the difficult decision to close voluntarily because we didn't want to contribute to the spread of a disease that was killing people. While I felt terrible the obvious impact this would have on my employees, we hoped we would be ready to open in a few weeks.

Soon after we closed, the order came out from the Governor mandating the closure of bars and restaurants. All signs pointed to this being longer than we all thought possible. I went forward with filing a claim for business interruption with my insurance company. I consider myself a responsible business owner. I know we pay for insurance so we're covered in times of crisis. I thought this would be very straightforward and didn't think much of it. We never had an insurance issue with the Basement Pub before and had been paying our premiums for years.

When I got the letter back from the company telling me my business losses would not be covered, I was shocked. Their reasoning, there wasn't any direct damage to my business, like fire or water damage. Our losses would not be covered. They even used a policy exemption geared toward foodborne illnesses like salmonella and others that a bar or restaurant may experience if they are irresponsible or reckless. But that was never our issue. Cleanliness and safety are always a priority at my businesses.

It was clear the insurance company was on the lookout for any easy ways deny claims and the coverages businesses were paying for. They didn't seem willing to do the bare minimum to investigate or look into the details of my claim. It was just a flat denial.

While I would like to pursue this claim further, I feel there is almost nowhere for me to go with it. I know the insurance company has all the power in this situation because under Oregon Law, businesses and consumers are left with little to no recourse when they are treated unfairly.

This is not the way insurance consumers and businesses should be treated. We continue to pay for coverage, but in times that we need it—denied. I know other factors can go into processing these claims, but it never felt as though they wanted to work with me to figure it out. I have sold my house and used the equity to handle business debts. I have laid off employees and that is what hurts the most. Please stand with me, other business owners and our employees by holding insurance companies accountable. Please support HB 3272.