

Gordon Brouse Jr., Salem Insurance Agency

Chair Holvey, Vice Chairs Elmer & Sosa, members of the committee:

I am offering this testimony today urging you to oppose House Bill 2920.

HB 2920 would dramatically alter the way auto insurance is priced by banning true risk-based rating and eliminating discounts that help policyholders save money on auto insurance. As an insurance agent here in Salem, I try to get the best rates possible for my customers; being able to use credit, education, occupation and other factors when calculating how much someone will have to pay for insurance allows us to effectively assess their risk of having a claim and set an appropriate rate.

HB 2920 takes away these tools that reduce prices, thereby increasing the price for the majority of consumers at a time when cost of living increases are already impacting too many Oregonians. In addition to impacting the discounts many Oregonians receive for their auto policy, this could also impact rates because when insurers can't assess risk, more consumers are likely to have their coverage declined – pushing those drivers into the assigned risk pool. That pool, created to ensure all Oregonians can get coverage, is subsidized by assessments across the insurance market – meaning consumers will end up paying more to cover those subsidies.

Too many Oregonians and their businesses are still recovering from the pandemic, and trying to do their best to navigate continually rising costs of living. Between housing, groceries, and medicine, many Oregonians don't have room in their budget right now for increased auto insurance.

Please oppose increased insurance rates by voting no on House Bill 2920.