

Members of the House Committee on Business and Labor
900 Court St. NE
Salem, Oregon 97301

Dear Chair Holvey, Vice Chairs Elmer and Sosa, Members of the Committee:

We write today in opposition to House Bill 2920. The role of a Chamber of Commerce is to work with the business community to enhance our local economies and promote our communities. We support policies that will spur local commerce and help businesses of all size succeed and, when necessary, we share our concerns about policy proposals that may have a negative impact on our business members and the communities in which they live and work. HB 2920 falls into the latter category.

HB 2920 proposes radically altering the way auto insurance is priced by prohibiting consideration of risk-based factors that help ensure Oregon drivers pay the best possible rates, based on the risk of having a claim. Most Oregonians save money when credit, education and occupation are used to assess how much you pay for insurance. Studies conducted by state regulators, the Federal Trade Commission and others have consistently shown that most consumers pay less for car insurance when their credit information is used to help set rates – including a study by Portland’s EcoNorthwest, which concluded 58% of Oregon policyholders were paying less for auto insurance than they would if credit information was not allowed as a rating factor.

HB 2920 takes these tools that reduce prices away, thereby increasing the price for the majority of consumers at a time when cost of living increases are already impacting too many Oregonians. HB 2920 is modeled after California, where insurance prices are the fourth highest in the nation. According to Forbes, drivers in California – where credit, education and other factor use is banned in assessing insurance rates – pay \$1,018 more annually for insurance than Oregon drivers.

For businesses across the state, HB 2920 could impact auto policies for work cars or fleets, and those that carry auto liability policies for their day-to-day operations. For these businesses, passing HB 2920 will lead to a direct increase in operating costs, as well as cost increases for employees who use their personal cars to commute to work or to complete their work activities. This bill will also have real impacts on local insurance agencies and agents, many of whom are active members in our Chamber and in our communities.

As so many communities and businesses throughout our state are struggling to keep up with rising costs, now is not the time to increase burdens on budgets of employees and employers working so hard to keep their doors open.

We respectfully ask you to oppose HB 2920.

