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March 1, 2023

To: The House Committee on Business and Labor  
From: Anthony K. Smith, National Federation of Independent Business  
Re: NFIB Written Testimony in Opposition to HB 3242 & HB 3243

**Chair Holvey, Vice-Chairs Elmer & Sosa, and Members of the Committee:**

On behalf of the thousands of Oregon small business members of the National Federation of Independent Business, many being the smallest of small businesses, I would like to express NFIB's opposition to HB 3242 and HB 3243. These bills run the risk of increasing insurance rates at a time when Oregonians and their businesses cannot afford any more cost burdens.

As Oregon businesses face rising costs from inflation and ongoing supply chain issues, we ask legislators to oppose policies that could further negatively impact Oregon's small businesses. Our members rely on affordable insurance rates to protect their businesses, their employees, and the customers they serve.

These bills would move Oregon's insurance market away from a proven model that is working for most Oregonians to one that incentivizes litigation. HB 3242 would authorize the award of triple actual damages and attorneys' fees, shifting from prompt claims resolution to rewarding lengthy litigation. HB 3243 would allow lawsuits to be filed against insurers for defending their own policyholders against third party claims.

Both bills would lead to higher litigation costs to resolve claims, which creates market pressure to increase premiums. For many Oregon consumers and businesses, this would mean policyholders will have to pay more for the same coverage – and if they cannot afford to pay more, they risk leaving themselves under-insured.

NFIB respectfully asks you to vote NO on HB 3242 and HB 3243.

Thank you for your time and consideration,

A handwritten signature in blue ink, appearing to read "Anthony K. Smith".

Anthony K. Smith  
NFIB Oregon State Director