

April 17, 2023



Dear Chair Prozanski and Senator Manning,

On behalf of local businesses in the Eugene and Springfield area, we urge you to oppose House Bills 3242 and 3243. There are many critical issues facing our state that legislators must address – dramatically changing our insurance market is not one of them.

Over the past few years local businesses have faced a groundswell of challenges – from navigating pandemic conditions to now enduring extreme inflation. Our objectives as Chambers are to advocate for and against policies that will impact our members, and right now, we believe legislation that risks increasing the cost of doing business must be critically reviewed.

HB 3242 and 3243 represent an unacceptable risk of increased insurance premiums. When similar legislation has passed in other states, rates have risen dramatically, and lawsuits have increased significantly:

- *California:* After a court authorized third-party lawsuits in California, the number of claims and costs of resolving claims skyrocketed with bodily injury premiums rising 32–53% over a decade. [*RAND Institute for Civil Justice 2001*]
- *Washington:* When "bad faith" lawsuit legislation passed in Washington, homeowner insurance claims costs in the first two years were estimated to be \$190 million higher than they would have been without the law. [*Insurance Research Council, "The Impact of First-Party Bad-Faith Legislation on Key Insurance Claim Trends in Washington State", March 30, 2011*]
- *Florida:* In 2020, Florida accounted for 79% of homeowners' insurance lawsuits nationwide while accounting for only 9% of the nation's homeowners' insurance claims. [*Florida Office of Insurance Regulation, July 2022*]

We are also concerned about the component of HB 3242 that allows for lawsuits against insurance agents in addition to insurers. Local insurance agents account for some of our membership, many of which are very small businesses who may be unable to endure claims-resolution-related lawsuits.

Together, our memberships create and retain the jobs that make up our local economy, and keep your constituents employed. We urge you to strongly consider the potential ramifications of HB 3242 and 3243 and vote no.

Sincerely,

A handwritten signature in black ink, appearing to read "Brittany Quick-Warner".

Brittany Quick-Warner
President & CEO
Eugene Area Chamber of Commerce

A handwritten signature in black ink, appearing to read "V. Mikkelsen".

Vonnie Mikkelsen
President & CEO
Springfield Area Chamber of Commerce