



February 11, 2025

Chair Sosa, Vice-Chairs Chaichi & Osborne, and Members of the Committee,

On behalf of the Professional Insurance Agents of Oregon (PIA/O), I write to express our opposition to House Bill 2563 as written. While we understand and appreciate the intent of increasing transparency in insurance premium adjustments, the broad scope of this bill imposes unnecessary administrative burdens on insurers, risks consumer confusion, and could ultimately drive-up costs for policyholders.

While insurers are committed to transparency and already comply with existing disclosure regulations, HB 2563 presents several concerns:

1. **Administrative Burden & Increased Costs** – The requirement to provide individualized explanations for premium increases—particularly in cases where multiple complex factors are involved—creates significant administrative and compliance challenges for insurers. This will lead to increased operational costs, which will ultimately be passed on to consumers in the form of higher premiums.
2. **Consumer Confusion & Privacy Concerns** – The bill requires insurers to disclose specific factors such as credit history and driving record data, which may inadvertently lead to consumer confusion or concern over privacy issues. While these factors are used lawfully and in accordance with actuarial principles, explaining them in a manner that satisfies both regulatory requirements and consumer understanding is challenging and may lead to unnecessary disputes.
3. **Redundancy with Existing Consumer Protections** – Under Oregon law, insurers are required to justify rate increases through filings with the DCBS, ensuring oversight and preventing arbitrary pricing decisions. HB 2563 adds requirements that do not materially improve consumer protection.
4. **Market Impact & Reduced Competition** – Smaller insurers may struggle with the compliance costs associated with this bill, potentially leading to reduced market competition. A less competitive insurance market could limit consumer choices and further contribute to premium increases.

For these reasons, PIA/O respectfully urges you to oppose HB 2563 as currently drafted and we look forward to continuing this discussion to find a solution that enhances consumer transparency while also ensuring small insurers can continue to operate effectively without undue administrative burdens.

Thank you for your time and consideration.

Sincerely,

Isis Thornton-Saunders

Professional Insurance Agents of Oregon