



Feb. 13, 2025

**TO:** Members of the House Committee on Commerce and Consumer Protection

**FR:** Derek Sangston, Oregon Business & Industry

**RE:** Opposition to HB 3423

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Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, members of the House Committee on Commerce and Consumer Protection. Thank you for the opportunity to submit testimony on HB 3423.

Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

OBI opposes HB 3423 because the bill would significantly disrupt Oregon's auto insurance market by limiting the data insurers may use to set premiums. OBI opposes the bill as drafted because states that have already passed bills prohibiting auto insurers from considering risk-based data – like credit history – have seen insurance premiums rise and experienced disruptions to the insurance marketplace.

For instance, over 60% of Washington consumers saw their premiums rise when this policy was enacted in that state in 2021. More Washington consumers also got their applications for auto insurance rejected and many others needed to switch carriers. The market has since begun to recover since the decision to enact this policy was subsequently reversed.

Just like the consumers in Washington, the average Oregonian would pay substantially higher premiums due to HB 3423. In fact, a representative sample from the most common auto insurers in Oregon shows that an overwhelming majority would pay hundreds of dollars more on average for their premiums. When insurers are allowed to use risk-based data, they are better able to underwrite risk, offer more consumer choice for Oregonians, and a stable insurance market.

Oregon, like many western states, has seen costs increase dramatically over the past several years. If passed, HB 3423 would add another significant price increase to be borne by Oregonians.

Thank you for your consideration.

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