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June 23, 2025

To: The House Committee on Rules

From: Anthony K. Smith, National Federation of Independent Business

Re: NFIB Written Testimony in Opposition to SB 174A

Chair Bowman, Vice-Chairs Drazan & Pham, and Members of the Committee:

On behalf of Oregon's small business members of the National Federation of Independent Business, I would like to express NFIB's opposition to SB 174A, which adds trade practices already prohibited by Oregon's insurance statutes to Oregon's Unlawful Trade Practices Act (UTPA).

NFIB is the Voice of Small Business. We are a nonprofit, nonpartisan, member-driven organization that advocates on behalf of America's small and independent business owners – both in Washington, D.C. and in all 50 state capitals.

NFIB represents thousands of small businesses across the state in every industry sector, many being the smallest of small businesses, with about 90% of our members in Oregon having fewer than 25 employees and 70% having fewer than 10 employees. Together, our members provide jobs for tens of thousands of Oregonians.

SB 174A would run the risk of increasing insurance rates at a time when Oregonians and their businesses cannot afford any additional cost burdens. As Oregon businesses face rising costs, economic uncertainty, and ongoing labor market challenges, 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.

SB 174A would move Oregon's insurance market away from a proven model that is working for most Oregonians to one that incentivizes litigation. Oregon already has a system in place for consumers to bring a lawsuit or file a complaint with the state's insurance commissioner if they feel they have been treated unfairly. Under Oregon's Unfair Claims Settlement Practices Act, the insurance division can order insurers to pay claims, as well as require restitution and levy fines against insurers that act in bad faith.

Additional enforcement under Oregon's UTPA will lead to more lawsuits and increased costs for insurers. This creates market pressure to increase premiums for insurance customers. **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 oppose SB 174A.

Thank you for your time and consideration,



Anthony K. Smith
NFIB Oregon State Director