

## Testimony of Ruth Paulette Williams

King City, Oregon

I am speaking out today on an injustice visited upon my sister, Virginia Digman, a wonderful person, hard working, and self-reliant. She worked all her life on factory worker wages, often working two jobs to make ends meet. At retirement, ever the frugal and responsible single mom, she lived on her social security, using the small pension from her employer to pay the premium on a long-term care policy. She was determined to be sure what ever happened, she would not become indigent and dependent on the state to survive. The premiums were a real sacrifice, but she was proud of her self-reliance.

Eventually the "worst case" came to pass and she was diagnosed with Alzheimer's. She felt confident she would get the care she needed, and I was able to recommend a great assisted living facility where other people I knew got great care. She was doing well there, and her symptoms, while still progressing, slowed noticeably.

The company she chose to buy her policy from, Penn Treaty, was, at the time one of the largest in this marketplace, and highly respected. Most of all though, she trusted the State of Oregon insurance regulators to do their job and make sure the company was collecting the appropriate premiums to keep the policies safe. Since she bought the policy, premiums had steadily increased, which she paid without fail. She had no reason to suspect that the company would need to liquidate decades later, or that the Oregon Insurance Guaranty would not stand behind these policies. Even when the company became "impaired," there were reassuring letters citing court-ordered "rehabilitation" plans. Then the company was liquidated, and my sister was facing \$5400/mo. expenses on an income of about \$2000/mo.

When the company failed, and the state insurance regulators failed, and the courts failed, our family came to find the guaranty fund would only cover her up to \$100,000. After a little over a year, her expenses used up all of that coverage. She now is using the proceeds of the sale of her home to pay for her care, and it a couple of years that will be gone too.

Adding insult to injury, we found out that after Penn Treaty became "impaired," the Oregon legislature raised the limit the guaranty fund would cover to \$300,000, but people like my sister were specifically excluded from that increase because of a last minute amendment. No one can tell me why that change was made, or why anyone thought that would be fair.

All through this ordeal, neither private enterprise nor government regulation did their job, so now we look to the last hope in a democracy, the legislature. Please do the right thing for my sister and the others, and enact Senate Bill 419.