



February 9, 2021

Chair Burdick and Members of the Committee:

I am submitting this testimony on behalf of the Oregon Association of Health Underwriters (OAHU), the statewide professional association for health insurance and benefits brokers.

OAHU strongly supports SB149, which OAHU sees as supporting important consumer protections afforded by the Oregon Life and Health Insurance Guarantee Association. When something goes seriously wrong at an insurance carrier, OAHU members are the ones who get calls from their customers and do their best to find solutions for affected individuals. The Guarantee Association, created by state law, provides a vital safety net to ensure that consumers' claims are paid without interruption in the event of an insurance carrier's financial failure.

Under the law, in the rare event of such a failure, other carrier members of the association are required to step into the breach and cover outstanding claims. The tax credit at issue in SB149 is a means for the state to pay back insurers when they have covered claims for a failed carrier. Because these events are very rare, this is a much efficient mechanism of shared state-private sector responsibility than any obvious alternative.

This tax credit should not be confused in effect with any number of other, ongoing tax credits. It makes no immediate claim on the General Fund unless a carrier fails financially.

We urge passage of SB149.

Tom Holt
for Oregon Association of Health Underwriters