



HB 5010 DCBS/DFR Budget

Co-Chairs Woods and Gomberg and members of the committee,

My name is Justin Delaney, and I am writing in support of the DCBS budget request. I serve as the vice president and associate counsel for Standard Insurance Company, headquartered in Portland since 1906. We are the largest insurer based in Oregon and therefore DFR's largest domestic customer. We offer non-medical insurance including life, disability, dental, vision and also retirement plans to approximately 8 million customers nationwide.

I oversee regulatory affairs nationwide, and I have more than 20 years of experience with insurance regulators in each state. In my experience DFR is thorough, objective and essential to the health of Oregon's insurance marketplace and consumer protection.

DFR has a dual role that is unusual amongst Oregon agencies, which is to advocate for and assist consumers on one hand, and to ensure the financial health of Oregon's insurers and marketplace on the other. It's a big task. Add to that the increasing obligation of US insurance regulators to participate in international insurance regulation, and you have a tremendously complex agency that operates efficiently with little fanfare.

I will provide just a few examples of the Division's exemplary role in regulating carriers and assisting consumers that I have direct experience with:

Rulemaking: I've served on countless rulemaking advisory committees over the years. While I'm often outnumbered by consumer groups, issue advocates and trial lawyers, DFR is inclusive of all perspectives and always willing to learn aspects of insurance operations they may not have exposure to. While we don't always agree or reach unanimity through these processes, we always feel heard.

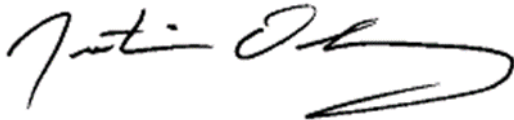
Throughout the pandemic, we also consulted frequently with DFR to help inform emergency regulations to assist consumers. These regulations were well written, consumer friendly, and due to the early outreach and collaboration by DFR were quickly implemented by Oregon insurers. That was not the case in many other states, and we had very few hiccups in administering the consumer accommodations ordered by DFR.

Consumer protection: The Division provides free consumer assistance including managing complaints against insurers. Their consumer advocates are professional and thorough, offering both education and resolution to consumers, and in our experience, they are readily willing to adjudicate on the consumer's behalf. Our insurance division also has unique authority in the

U.S. that authorizes DFR to order restitution for consumers without resort to expensive litigation. That is a tremendous asset to Oregonians and our insurance market.

Overseeing the financial health of Oregon insurers: The Division conducts a thorough review annually and then an even more in-depth exam of insurer finances, investments and operations every 3 years. I cannot overstate both the complexity of this exercise and the need for a well-equipped regulator like DFR who understands insurance company financial health. There is nothing less consumer friendly than an insolvent insurance company that can't uphold its obligations to customers. As we have seen recently, the failure of a financial institution harms both consumers and the economy.

I strongly support the DCBS budget request so they can continue their essential role on behalf of consumers and a healthy Oregon insurance marketplace.

A handwritten signature in black ink, appearing to read "Justin Delaney". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Justin Delaney
Vice President & Associate Counsel
The Standard