



SB 5511 DCBS/DFR Budget

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

My name is Justin Delaney, and I am writing in support of the DCBS budget request, and specifically the budget for the Division of Financial Regulation. 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 the Division's largest domestic customer. We offer life, disability, dental, and vision insurance as well as retirement plans to more than 8 million customers nationwide.

I oversee regulatory affairs nationwide, and I have more than 25 years of experience with insurance regulators in each state. In my experience the Division is thorough, objective and essential to the health of Oregon's insurance marketplace and consumer protection.

The Division 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. This is a big task. On top of balancing those missions, the Division has an increasing obligation to participate in international insurance regulation, making for 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, the Division 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.

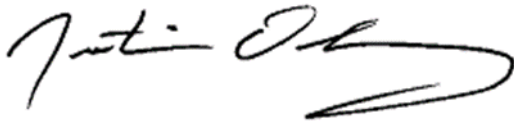
Throughout the pandemic, we also consulted frequently with the Division to help inform emergency regulations to assist consumers. These regulations, which impacted every Oregonian and did not have the usual benefit of a long, thoughtful process, were well written, consumer friendly, and due to the early outreach and collaboration by the Division 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 the Division.

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. The Division also has unique authority in the U.S. that authorizes it to order restitution for consumers without resort to expensive litigation. That is a tremendous asset to Oregonians and our insurance market, and should be supported by the Legislature.

Overseeing the financial health of Oregon insurers: The Division conducts a thorough review annually and an even more in-depth exam of insurer finances, investments and operations every 3-5 years. I cannot overstate both the complexity of this exercise and the need for a well-equipped regulator like the Division, which understands insurance company financial health. There is nothing less consumer friendly than an insolvent insurance company that cannot uphold its obligations to customers. The failure of a financial institution harms both consumers and the economy.

I strongly support the DCBS budget request so the experts at the Division 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