



February 19, 2025

**TO:** Chair Taylor, Vice-Chair Bonham, Senate Committee on Labor and Business

**FROM:** Ryan Chieffo, Director of Government and Regulatory Affairs, on behalf of Standard Insurance Company

**RE: Support for SB 831**

Standard Insurance Company (The Standard) is Oregon's largest headquartered insurance company. We have been an Oregon company since our founding in Portland in 1906. We are one of the largest private employers in downtown Portland, serving individuals and businesses in Oregon and across the country and providing life insurance, disability insurance, annuities, and retirement plans. I write on behalf of The Standard to convey our support for SB 831, provided that a small but vital change be made.

SB 831 would enact changes to Oregon's Insurance Code to create a "group capital calculation" and a liquidity stress testing framework. These changes will give the Division of Financial Regulation (the Division) within the Department of Consumer and Business Services additional tools to monitor risk to insurance companies like The Standard from non-regulated entities within their holding companies. With this additional information and analysis, the Division will be better equipped to understand risk to insurers and adjust financial oversight as needed.

SB 831 will directly impact the Standard if it becomes law. Division staff recognized The Standard would be a key stakeholder as the National Association of Insurance Commissioners (NAIC) was developing this new standard. We have worked closely with the Division to answer questions, identify and resolve concerns, and ensure we all understand and are aligned on the new responsibilities and obligations that would arise from this standard and the bill that is before you now. We appreciate the collaborative, transparent process led by the Division.

The additional financial oversight tools created by SB 831 will help the Division in its efforts to protect Oregon consumers. The Standard supports that outcome and is comfortable with this new layer of regulation. We also believe the financial information that will be provided to the Division as a result of this bill is very sensitive and should be treated as confidential under the law. Adding language to ensure confidentiality would be consistent with how similar information already provided to the Division is treated and would further align this bill with the model language adopted in other states. The Division also believes this information should be held as confidential and will seek a -1 amendment to make that change. We support SB 831 under the assumption it will be amended to include sufficient confidentiality protections.

In addition to the substance of this bill, we note the NAIC has made these changes an accreditation standard. The NAIC is an organization of Insurance Commissioners from every state. Maintaining accreditation with the NAIC is critical, as it allows other states to rely on the financial oversight and regulation of the Division. Without that reliance, Oregon insurance companies like The Standard would be subject to constant examinations and inquiries from every state in which it does business, overwhelming our resources and capacity to respond, and impacting our ability to continue to serve our customers effectively.

As a key stakeholder and impacted entity, The Standard urges you to support SB 831 with the forthcoming -1 amendment. Thank you for your consideration.