

My name is Joseph Digman, and I am writing this account for my mother, Virginia Digman, who is currently hindered by beginning stage Alzheimer's. She was a single mother, usually working two jobs in factories and restaurants, getting no help from child support nor public assistance. Upon retiring, she continued to live frugally on social security and a small income from a rental home she had managed to acquire. The one risk she could not self-fund would be a prolonged illness or disability, so ever the contentious and cautious provider, she used her modest pension from Tektronix to make payments on a long-term care policy that would guarantee she would never be left destitute.

The company, Penn Treaty, was one of the largest and most reputable companies in the marketplace when she selected it decades ago. She relied on Oregon's reputation for strong consumer protection, and the fact, as Oregon Insurance Agents assured us, "no one has ever lost a dime in an insurance contract in Oregon." Without the knowledge and expertise of an insurance underwriter, she, along with most other Oregonians, relied on the State insurance commission to mind the store.

Unfortunately, that trust was mis-placed because Penn Treaty was eventually declared insolvent and slated for liquidation. Claims were transferred to the Oregon Life and Health Insurance Guaranty Association, who administered a fund to pay the claims of insolvent insurers. Again unfortunately, when the insolvency occurred, the fund only covered \$100,000 in claims, one of the lowest in the country. In an effort remedy this, the State Legislature increased the statutory limit to \$300,000. Again unfortunately for my mother, in a perverse last minute change, the legislature excluded Penn Treaty policy holders, the very people whose misfortunes inspired the change. The Oregon Life and Health Insurance Guaranty Association has refused my requests for information on either the number of active claims, or any estimate of the financial impact of covering these policy holders. I can only guess with only a few hundred policies in force at the time of the insolvency, and only a small fraction of those in active claim status, the fiscal impact of covering those people like my mother would not be much of a burden for the Guaranty Fund, compared to the massive breach of faith of having the first people lose money in an insurance contract in the State of Oregon.

My mother now lives in an assisted living facility, costing over \$5,000 a month, and the proceeds from the sale of her home and rental property will not last more than a couple of years. Contrary to her best efforts, she will then be completely dependent on the State of Oregon for assistance, shifting the burden from the Insurance Industry funded Guaranty Fund onto Oregon Taxpayers. I urge all Oregonians to support SB 419 in the upcoming legislative session, and include policy holders like my mother under the improved statutory limit.