



March 18, 2019

Chair Riley and Members of the Committee,

Service Employees International Union (SEIU) 503 urges you to support SB 419, which would protect individuals who paid premiums for long-term care insurance but lost their health coverage after the insurer went out of business.

Guaranty associations, such as the Oregon Life and Health Insurance Guaranty Association (the "Association"), exist in states across the country to cover customers if primary insurers are unable to pay the coverage promised under insurance policies. However, when both the insurer and the guaranty association fail to fully cover the necessary insured care, individuals get left behind.

After purchasing long-term care insurance and paying high monthly premiums for years, customers of Penn Treaty, now liquidated, found that their long-term care claims were limited to \$100,000 in coverage from the Association – far less than what is needed to afford long-term care. While the legislature has raised the statutory cap on long-term care to \$300,000, it failed to cover existing customers of Penn Treaty.

This inequity creates significant confusion and leaves working families struggling, despite having dutifully paid their insurance premiums every month. SB 419 would increase equity and reduce the burden placed on vulnerable individuals whose long-term health care insurance policies were discontinued due to unsustainable business practices of private insurance companies.

Thank you for the opportunity to submit testimony on this important issue, and we urge you to support SB 419

Kyndall Mason
Political & Policy Strategist
SEIU Local 503

SERVICE EMPLOYEES
INTERNATIONAL UNION
LOCAL 503

PO Box 12159
Salem, OR 97309-1259

1730 Commercial St. SE
Salem, OR 97302

6401 SE Foster Rd.
Portland, OR 97206

1.800.452.2146
www.seiu503.org