



March 10, 2021

TO: Chair Holvey, Vice-Chairs Bonham and Grayber, House Committee on Business and Labor

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

RE: Support of HB 2045

Standard Insurance Company (“The Standard”) has been an Oregon-based insurance company for 115 years, serving individuals and businesses in Oregon and across the country, and we are Oregon’s largest domiciled life insurance company. I write on behalf of The Standard to convey our support for HB 2045.

Insurance is primarily regulated by the states, and insurance companies are regulated by each state in which they are licensed. For The Standard, which does business across the country, we have 50 different regulators, each charged with ensuring we remain solvent and able to provide the benefits we promise that state’s residents. But, to have every state monitoring and examining The Standard and every other insurance company would result in paralyzing inefficiencies for the insurance companies and regulators alike. To address this issue, the National Association of Insurance Commissioners (“NAIC”) introduced an accreditation system to ease the burden by allowing accredited states to rely on the laws, regulations, and oversight of other accredited states to ensure the solvency and stability of insurance companies.

As The Standard’s primary regulator, the Department of Consumer and Business Services (“DCBS”) is responsible for regulating and monitoring The Standard’s financial health. Because it is accredited, other states can be confident that DCBS is up to the task and thus do not need to scrutinize and examine The Standard themselves. It is imperative that DCBS maintains its accreditation with the NAIC because if it does not, The Standard would be subject to constant regulatory inquiries and examinations by every other state, overwhelming our resources and capacity to respond, and impacting our ability to continue to serve our customers effectively.

With respect to this accreditation bill, DCBS convened a meeting for stakeholders including The Standard related to Section 2 of the -2 Amendment, which is the key section for accreditation purposes. This was a transparent process and we appreciated the opportunity to learn about the proposed changes, ask questions, and provide comments. We have no concerns about Section 2.

DCBS and its Division of Financial Regulation are thorough, competent and fair regulators. While we do not always agree with their actions or positions, their focus on consumer protection is one of the strongest in the country and is laudable. We strongly support taking the actions necessary to allow DCBS to maintain its accreditation, as without it domestic companies like The Standard would suffer greatly from enormous increases in duplicative, intrusive regulatory efforts by other states. I urge you to vote “YES.” Thank you.