

Senate Bill 595

Sponsored by Senator KRUSE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Removes prohibition against issuing or delivering to small employer policy that insures against risk of economic loss assumed under less than fully insured employee health benefit plan.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to insurance; creating new provisions; amending ORS 742.065; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 742.065 is amended to read:

5 742.065. (1) Insurance against the risk of economic loss assumed under a less than fully insured
6 employee health benefit plan, whether issued or delivered as health or casualty insurance, is subject
7 to the following:

8 (a) The policy must be issued to and insure the employer, the trustee or other sponsor of the
9 plan, or the plan itself, but not the employees, members or participants;

10 (b) Payment by the insurer must be made to the employer, to the trustee or other sponsor of the
11 plan, or to the plan itself, but not to the employees, members, participants or health care providers;

12 (c) If the policy establishes an aggregate attaching point or retention, the point or retention
13 must not be less than 120 percent of the expected claims; and

14 (d) If the policy establishes an attaching point or retention applicable to each individual covered
15 by the plan, the point or retention must not be less than \$10,000.

16 (2) Insurance against the risk of economic loss assumed under a less than fully insured employee
17 health benefit plan, whether issued or delivered as health or casualty insurance, is subject to this
18 section and to ORS 743.523, 743.524 and 743.526, but is otherwise not subject to provisions of ORS
19 chapter 743.

20 *[(3) An insurer shall not issue or deliver to a small employer, as defined in ORS 743.730, a policy*
21 *of insurance against the risk of economic loss assumed under a less than fully insured employee health*
22 *benefit plan.]*

23 **SECTION 2.** The amendments to ORS 742.065 by section 1 of this 2007 Act apply to in-
24 surance policies issued on or after the effective date of this 2007 Act that cover the risk of
25 economic loss that insureds assume under a less than fully insured employee health benefit
26 plan.

27 **SECTION 3.** This 2007 Act being necessary for the immediate preservation of the public
28 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
29 on its passage.

30

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.