

# House Bill 2193

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Consumer and Business Services)

## 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**.

Reduces Oregon Medical Insurance Pool assessment for insurers providing insurance against risk of economic loss.

## A BILL FOR AN ACT

1  
2 Relating to Oregon Medical Insurance Pool assessment; creating new provisions; and amending ORS  
3 735.614.

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

5 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. "Covered life" means a subscriber, policyholder, certificate holder, spouse,**  
7 **dependent child or any other individual insured under an insurance policy or whose benefits**  
8 **are administered by a third party administrator.**

9 **SECTION 3. ORS 735.614 is amended to read:**

10 735.614. (1) If the Oregon Medical Insurance Pool Board determines at any time that funds in  
11 the Oregon Medical Insurance Pool Account are or will become insufficient for payment of expenses  
12 of the pool in a timely manner, the board shall determine the amount of funds needed and shall  
13 impose and collect assessments against insurers, as provided in this section, in the amount of the  
14 funds determined to be needed.

15 (2) Each insurer's assessment shall be determined by multiplying the total amount to be assessed  
16 by a fraction[.]. The numerator of [*which*] **the fraction** equals [*the*] **that insurer's total** number of  
17 Oregon [*insureds and certificate holders insured or reinsured by each insurer, and*] **insured covered**  
18 **lives and 40 percent of reinsured covered lives.** The denominator of [*which*] **the fraction** equals  
19 the total **number of Oregon insured lives covered by all insurers in this state and 40 percent**  
20 **of reinsured lives covered by all insurers in this state. The number of covered lives shall be**  
21 **determined as of March 31 of each year.** [*of all Oregon insureds and certificate holders insured*  
22 *or reinsured by all insurers, all determined as of March 31 each year.*]

23 (3) The board shall ensure that each insured and certificate holder is counted only once with  
24 respect to any assessment. For that purpose, the board shall require each insurer that obtains re-  
25 insurance for its insureds and certificate holders to include in its count of insureds and certificate  
26 holders all insureds and certificate holders whose coverage is reinsured in whole or part. The board  
27 shall allow an insurer who is a reinsurer to exclude from its number of insureds those that have  
28 been counted by the primary insurer or the primary reinsurer for the purpose of determining its  
29 assessment under this subsection.

30 (4) Each insurer shall pay its assessment as required by the board.

31 (5) If assessments exceed the amounts actually needed, the excess shall be held and invested

**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.

1 and, with the earnings and interest, used by the board to offset future net losses or to reduce pool  
 2 premiums. For purposes of this subsection, “future net losses” includes reserves for claims incurred  
 3 but not reported.

4 (6) Each insurer’s proportion of participation in the pool shall be determined by the board based  
 5 on annual statements and other reports deemed necessary by the board and filed by the insurer with  
 6 the board. The board may use any reasonable method of estimating the number of insureds and  
 7 certificate holders of an insurer if the specific number is unknown. With respect to insurers that  
 8 are reinsurers, the board may use any reasonable method of estimating the number of persons in-  
 9 sured by each reinsurer.

10 (7) The board may abate or defer, in whole or in part, the assessment of an insurer if, in the  
 11 opinion of the board, payment of the assessment would endanger the ability of the insurer to fulfill  
 12 the insurer’s contractual obligations. In the event an assessment against an insurer is abated or  
 13 deferred in whole or in part, the amount by which the assessment is abated or deferred may be as-  
 14 sessed against the other insurers in a manner consistent with the basis for assessments set forth in  
 15 this section. The insurer receiving the abatement or deferment shall remain liable to the board for  
 16 the deficiency for four years.

17 (8) The board shall abate or defer assessments authorized by this section if a court orders that  
 18 assessments cannot be made applicable to reinsurers. However, if a court orders that assessments  
 19 cannot be made applicable to reinsurers, the board may continue to assess insurers to the end of the  
 20 biennium in which the determination is made.

21 (9) Subject to the approval of the Director of the Department of Consumer and Business Ser-  
 22 vices, the board may develop a program for adjusting the assessment of an insurer in the individual  
 23 health benefits market based on that insurer’s contribution to reducing the enrollment in the Oregon  
 24 Medical Insurance Pool. When developing the program, the board may consider, but is not limited  
 25 to, the following factors:

- 26 (a) The insurer’s level of participation;
- 27 (b) Level of health benefit plan coverage offered; and
- 28 (c) Assumption of risk in the individual health benefits market.

29 \_\_\_\_\_