

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2010 Special Session
Legislative Revenue Office

Bill Number: SB 1047
Revenue Area: Health Care
Economist: Dae Baek
Date: Feb 1, 2010

Measure Description: Eliminates premium assessment on health insurers and health care service contractors for health plan policies insuring Oregon residents when such policies are delivered or issued for delivery outside of Oregon. Applies to premiums earned by insurers on these policies on or after October 1, 2009. Takes effect on passage.

Revenue Impact (in \$Millions): Minimal* (See Impact Explanation.)

Impact Explanation: HB 2116 established a one percent assessment on health insurance premiums. The premium assessment applies to health plan policies insuring Oregon residents. It means that the health insurance plan premiums for Oregon residents who are covered by a policy issued to their employer in another state are also subject to the assessment. However, when the revenue impact was issued for HB 2116, the projected revenue did not include the amount of assessment on health insurance premiums covering Oregon residents from policies delivered or issued for delivery outside Oregon. Therefore, SB 1047 has no impact on revenue projections for HB 2116.

On the other hand, SB 1047 clearly exempts from assessment the health insurance plan premiums for Oregon residents covered by policies issued outside Oregon. This creates a revenue impact, likely to be minimal, but the lack of data makes it impossible to make an informed estimate.

Creates, Extends, or Expands Tax Expenditure: Yes No

SB 1047 exempts from assessment the health insurance plan premiums for Oregon residents covered by policies issued outside Oregon.