

**Enrolled**  
**Senate Bill 514**

Sponsored by Senator MONNES ANDERSON (Presession filed.)

CHAPTER .....

AN ACT

Relating to the Oregon Medical Insurance Pool; amending ORS 735.614; and declaring an emergency.

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

**SECTION 1.** ORS 735.614 is amended to read:

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

**(b) If the Department of Consumer and Business Services adopts rules establishing a reinsurance program for children’s coverage, the board shall include the costs of such program, as determined by the department, in the determination of the amount of funds needed under paragraph (a) of this subsection.**

(2) Each insurer’s assessment shall be determined by multiplying the total amount to be assessed by a fraction, the numerator of which equals the number of Oregon insureds and certificate holders insured or reinsured by each insurer, and the denominator of which equals the total of all Oregon insureds and certificate holders insured or reinsured by all insurers, all determined as of March 31 each year.

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

(4) All insurers authorized to transact medical insurance in Oregon and that insure persons residing in Oregon are subject to the assessment under this section. Insureds under the following types of coverage, as defined by rule by the board, are excluded in the calculation of the assessment:

- (a) Medicaid;
- (b) State Children’s Health Insurance Program;
- (c) Medicare;
- (d) Disability income insurance;
- (e) Hospital only insurance;
- (f) Dental insurance;
- (g) Vision only insurance;

- (h) Accident only insurance;
- (i) Automobile insurance;
- (j) Specific disease insurance;
- (k) Medical supplemental plans;
- (L) TRICARE;
- (m) CHAMPUS;
- (n) Prescription drug only plans;
- (o) Long term care insurance; and
- (p) Federal Employees Health Benefits Program.

(5) If assessments exceed the amounts actually needed, the excess shall be held and invested and, with the earnings and interest, used by the board to offset future net losses or to reduce pool premiums. For purposes of this subsection, "future net losses" includes reserves for claims incurred but not reported.

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

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

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

(9) Subject to the approval of the Director of the Oregon Health Authority, the board may develop a program for adjusting the assessment of an insurer in the individual health benefits market based on that insurer's contribution to reducing the enrollment in the Oregon Medical Insurance Pool. When developing the program, the board may consider, but is not limited to, the following factors:

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

**SECTION 2. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.**

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**Passed by Senate March 9, 2011**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House May 16, 2011**

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

**Received by Governor:**

.....M,....., 2011

**Approved:**

.....M,....., 2011

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2011

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Kate Brown, Secretary of State