

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4046 A

Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session  
Legislative Fiscal Office

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### Measure Description:

Exempts accident only insurance policies from payment of assessment on gross amount of premiums.

### Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

### Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

### Analysis:

HB 4046 exempts insurers from paying a one-percent assessment on premiums for accident only, specified diseases, and hospital indemnity policies. This legislation takes effect on September 29, 2013. Note that under current law, the one-percent assessment on premiums sunsets September 30, 2013.

### Department of Consumer and Business Services (DCBS)

HB 4046 has minimal expenditure impact on the Department of Consumer and Business Services. DCBS collects this one-percent assessment on premiums earned from these policies, and will use existing staff and resources to modify computer systems to comply with the requirements of this bill.

DCBS estimates that exemption of accident only, specified disease and hospital indemnity policies will result in a nominal reduction in premium assessments collected. There would be no impact to 2011-13 biennium collections. The impact of the measure on assessment collections would equal approximately \$608,000 per biennium on an ongoing basis, but the impact is nominal for the 2013-15 biennium, because currently the assessment is scheduled to sunset on September 30, 2013. Under current law, this assessment revenue is transferred to the Oregon Health Authority to help fund Oregon Healthy Kids programs

### Oregon Health Authority (OHA)

Passage of HB 4046 will result in a nominal reduction of Other Funds revenue for Oregon Healthy Kids programs. Under current law, 20% of this assessment is budgeted to be transferred to the Office of Private Health Partnerships (OPHP) Healthy Kids Connect program, and the remainder to the Division of Medical Assistance Programs (DMAP) to cover children in the Oregon Health Plan.