

Date: February 9, 2018

To: Senator Brian Boquist
Chair, Senate Committee on Veterans Affairs and Emergency Preparedness

From: Theresa Van Winkle
Legislative Director

Subject: Feedback on Proposed Amendments – Senate Bill 1517

Thank you for asking the department for feedback on amendments to Senate Bill 1517. To summarize the following information, the amendments do not significantly impact Oregon's Insurance Code or create a fiscal impact to the Department of Consumer and Business Services (DCBS).

In regards to the amendments' impact on insurance premiums, DCBS is unable to provide estimates as each carrier bases premiums on a number of actuarial factors, and we are unable to predict how each might factor the impact of these amendments. This would be best answered by individual health and life insurers or their respective associations.

-1 amendment (minimum death benefit for veterans killed in action):

The language does not impact the Insurance Code or establish implementation requirements that generate a fiscal impact on DCBS.

-2 amendment (expanding current ban of imposing pre-existing condition exclusions on veterans with service-related pre-existing conditions):

As you mentioned at the bill's February 7th public hearing, the -2 amendment language is not prohibited under the Affordable Care Act (ACA), as currently federal regulation prohibits health benefit plans from imposing pre-existing condition provisions.

The amendment's enactment may cause health insurance policies to be re-filed for approval by the Division of Financial Regulation (DFR), but this should not create a fiscal impact to the department.

-5 amendment (incontestability period of life insurance policies issued to veterans):

This amendment does not impact the Insurance Code, but it may cause insurers and fraternal benefit societies to refile their contracts for approval by DFR, similar to the -2 amendment. This should not create a fiscal impact to the department.