

House Bill 3321

Sponsored by Representative SPRENGER

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**.

Exempts health care sharing ministries from Insurance Code.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to health care sharing ministries; amending ORS 731.036; and prescribing an effective date.

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

3 **SECTION 1.** ORS 731.036 is amended to read:

4 731.036. Except as provided in ORS 743.029 or as specifically provided by law, the Insurance
5 Code does not apply to any of the following to the extent of the subject matter of the exemption:

6 (1) A bail bondsman, other than a corporate surety and its agents.

7 (2) A fraternal benefit society that has maintained lodges in this state and other states for 50
8 years prior to January 1, 1961, and for which a certificate of authority was not required on that
9 date.

10 (3) A religious organization providing insurance benefits only to its employees, if the organiza-
11 tion is in existence and exempt from taxation under section 501(c)(3) of the federal Internal Revenue
12 Code on September 13, 1975.

13 (4) Public bodies, as defined in ORS 30.260, that either individually or jointly establish a self-
14 insurance program for tort liability in accordance with ORS 30.282.

15 (5) Public bodies, as defined in ORS 30.260, that either individually or jointly establish a self-
16 insurance program for property damage in accordance with ORS 30.282.

17 (6) Cities, counties, school districts, community college districts, community college service dis-
18 tricts or districts, as defined in ORS 198.010 and 198.180, that either individually or jointly insure
19 for health insurance coverage, excluding disability insurance, their employees or retired employees,
20 or their dependents, or students engaged in school activities, or combination of employees and de-
21 pendents, with or without employee or student contributions, if all of the following conditions are
22 met:

23 (a) The individual or jointly self-insured program meets the following minimum requirements:

24 (A) In the case of a school district, community college district or community college service
25 district, the number of covered employees and dependents and retired employees and dependents
26 aggregates at least 500 individuals;

27 (B) In the case of an individual public body program other than a school district, community
28 college district or community college service district, the number of covered employees and depen-
29 dents and retired employees and dependents aggregates at least 500 individuals; and

30 (C) In the case of a joint program of two or more public bodies, the number of covered em-
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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 employees and dependents and retired employees and dependents aggregates at least 1,000 individuals;

2 (b) The individual or jointly self-insured health insurance program includes all coverages and
 3 benefits required of group health insurance policies under ORS chapters 743, 743A and 743B;

4 (c) The individual or jointly self-insured program must have program documents that define
 5 program benefits and administration;

6 (d) Enrollees must be provided copies of summary plan descriptions including:

7 (A) Written general information about services provided, access to services, charges and sched-
 8 uling applicable to each enrollee's coverage;

9 (B) The program's grievance and appeal process; and

10 (C) Other group health plan enrollee rights, disclosure or written procedure requirements es-
 11 tablished under ORS chapters 743, 743A and 743B;

12 (e) The financial administration of an individual or jointly self-insured program must include the
 13 following requirements:

14 (A) Program contributions and reserves must be held in separate accounts and used for the ex-
 15 clusive benefit of the program;

16 (B) The program must maintain adequate reserves. Reserves may be invested in accordance with
 17 the provisions of ORS chapter 293. Reserve adequacy must be calculated annually with proper
 18 actuarial calculations including the following:

19 (i) Known claims, paid and outstanding;

20 (ii) A history of incurred but not reported claims;

21 (iii) Claims handling expenses;

22 (iv) Unearned contributions; and

23 (v) A claims trend factor; and

24 (C) The program must maintain adequate reinsurance against the risk of economic loss in ac-
 25 cordance with the provisions of ORS 742.065 unless the program has received written approval for
 26 an alternative arrangement for protection against economic loss from the Director of the Depart-
 27 ment of Consumer and Business Services;

28 (f) The individual or jointly self-insured program must have sufficient personnel to service the
 29 employee benefit program or must contract with a third party administrator licensed under ORS
 30 chapter 744 as a third party administrator to provide such services;

31 (g) The public body, or the program administrator in the case of a joint insurance program of
 32 two or more public bodies, files with the Director of the Department of Consumer and Business
 33 Services copies of all documents creating and governing the program, all forms used to communicate
 34 the coverage to beneficiaries, the schedule of payments established to support the program and,
 35 annually, a financial report showing the total incurred cost of the program for the preceding year.
 36 A copy of the annual audit required by ORS 297.425 may be used to satisfy the financial report filing
 37 requirement; and

38 (h) Each public body in a joint insurance program is liable only to its own employees and no
 39 others for benefits under the program in the event, and to the extent, that no further funds, in-
 40 cluding funds from insurance policies obtained by the pool, are available in the joint insurance pool.

41 (7) All ambulance services.

42 (8) A person providing any of the services described in this subsection. The exemption under this
 43 subsection does not apply to an authorized insurer providing such services under an insurance pol-
 44 icy. This subsection applies to the following services:

45 (a) Towing service.

1 (b) Emergency road service, which means adjustment, repair or replacement of the equipment,
 2 tires or mechanical parts of a motor vehicle in order to permit the motor vehicle to be operated
 3 under its own power.

4 (c) Transportation and arrangements for the transportation of human remains, including all
 5 necessary and appropriate preparations for and actual transportation provided to return a
 6 decedent's remains from the decedent's place of death to a location designated by a person with
 7 valid legal authority under ORS 97.130.

8 (9)(a) A person described in this subsection who, in an agreement to lease or to finance the
 9 purchase of a motor vehicle, agrees to waive for no additional charge the amount specified in par-
 10 agraph (b) of this subsection upon total loss of the motor vehicle because of physical damage, theft
 11 or other occurrence, as specified in the agreement. The exemption established in this subsection
 12 applies to the following persons:

13 (A) The seller of the motor vehicle, if the sale is made pursuant to a motor vehicle retail in-
 14 stallment contract.

15 (B) The lessor of the motor vehicle.

16 (C) The lender who finances the purchase of the motor vehicle.

17 (D) The assignee of a person described in this paragraph.

18 (b) The amount waived pursuant to the agreement shall be the difference, or portion thereof,
 19 between the amount received by the seller, lessor, lender or assignee, as applicable, that represents
 20 the actual cash value of the motor vehicle at the date of loss, and the amount owed under the
 21 agreement.

22 (10) A self-insurance program for tort liability or property damage that is established by two or
 23 more affordable housing entities and that complies with the same requirements that public bodies
 24 must meet under ORS 30.282 (6). As used in this subsection:

25 (a) "Affordable housing" means housing projects in which some of the dwelling units may be
 26 purchased or rented, with or without government assistance, on a basis that is affordable to indi-
 27 viduals of low income.

28 (b) "Affordable housing entity" means any of the following:

29 (A) A housing authority created under the laws of this state or another jurisdiction and any
 30 agency or instrumentality of a housing authority, including but not limited to a legal entity created
 31 to conduct a self-insurance program for housing authorities that complies with ORS 30.282 (6).

32 (B) A nonprofit corporation that is engaged in providing affordable housing.

33 (C) A partnership or limited liability company that is engaged in providing affordable housing
 34 and that is affiliated with a housing authority described in subparagraph (A) of this paragraph or
 35 a nonprofit corporation described in subparagraph (B) of this paragraph if the housing authority or
 36 nonprofit corporation:

37 (i) Has, or has the right to acquire, a financial or ownership interest in the partnership or lim-
 38 ited liability company;

39 (ii) Has the power to direct the management or policies of the partnership or limited liability
 40 company;

41 (iii) Has entered into a contract to lease, manage or operate the affordable housing owned by
 42 the partnership or limited liability company; or

43 (iv) Has any other material relationship with the partnership or limited liability company.

44 (11) Except as provided in ORS 735.500 and 735.510, a person certified by the Department of
 45 Consumer and Business Services to operate a retainer medical practice.

1 **(12) A health care sharing ministry as defined in 26 C.F.R. 1.5000A-3.**
2 **SECTION 2.** **This 2019 Act takes effect on the 91st day after the date on which the 2019**
3 **regular session of the Eightieth Legislative Assembly adjourns sine die.**
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