

1 **Oregon Reinsurance Program**

2
3 **836-150-0010**

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5 **Purpose and Statutory Authority**

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7 (1) The purpose of OAR 836-150-0010 to 836-150-0060 is to administer the Oregon
8 Reinsurance Program established in the Department of Consumer and Business Services for the
9 purposes of stabilizing the rates and premiums for individual health benefit plans and providing
10 greater financial certainty to consumers of health insurance in this state.

11
12 Stat. Auth.: ORS 731.244 & 2017 Or Laws, ch 538, Sec. 19
13 Stats Implemented: 2017 Or Laws, ch 538, Secs. 18-21
14 Hist.: ID X-2018, f. & cert. ef. X-X-18

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16 **836-150-0020**

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18 **Definitions**

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20 The terms used in OAR 836-150-0010 to 836-150-0060 have the meaning prescribed in section
21 19, chapter 538, Oregon Laws 2017 (Enrolled House Bill 2391) and:

22
23 (1) “Benefit year” means a calendar year beginning on or after January 1, 2018 for which a
24 reinsurance eligible health benefit plan provides health insurance coverage.

25
26 (2) “Department” means the Oregon Department of Consumer and Business Services.

27
28 (3) “Reinsurance eligible claim” means a claim for services covered under a reinsurance eligible
29 health benefit plan that is incurred by a reinsurance eligible issuer during a benefit year and paid
30 by the reinsurance eligible issuer before July 1 of the following year.

31
32 (4) “Reinsurance eligible issuer” means an insurer or health care service contractor who offers a
33 reinsurance eligible health benefit plan to reinsurance eligible individuals.

34
35 (5) “Reinsurance payment” means payments issued to a reinsurance eligible issuer in accordance
36 with section 2(3), chapter 538 Oregon Laws 2017 (Enrolled House Bill 2391) and OAR 836-
37 150-0050.

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39 Stat. Auth.: ORS 731.244 & 2017 Or Laws, ch 538, Sec. 19
40 Stats Implemented: 2017 Or Laws, ch 538, Secs. 18-21
41 Hist.: ID X-2018, f. & cert. ef. X-X-18

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43 **836-150-0030**

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45 **Information Reporting**

1 (1) As a condition of receiving reinsurance payments from the Oregon Reinsurance Program, a
2 reinsurance eligible issuer must provide, for each benefit year, the following information to the
3 department in the form and manner prescribed by the department:
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5 (a) The name and company code assigned to the reinsurance eligible issuer by the National
6 Association of Insurance Commissioners;
7

8 (b) The identification number assigned to the reinsurance eligible issuer by the Health Insurance
9 Oversight System (HIOS);
10

11 (c) The total amount of the reinsurance eligible issuer's reinsurance eligible claims for the
12 benefit year;
13

14 (d) The portion of the reinsurance eligible issuer's total reinsurance eligible claims for the benefit
15 year that fall between the attachment point and reinsurance cap.
16

17 (e) A summary data file containing the following information for each reinsurance eligible
18 individual with claims for which reinsurance payments are being requested:
19

20 (A) The member identification number assigned by the reinsurance eligible issuer to the
21 reinsurance eligible individual;
22

23 (B) The start and end dates of coverage for the reinsurance eligible individual;
24

25 (C) The HIOS plan identification number for the reinsurance eligible health benefit plan in which
26 the reinsurance eligible individual was enrolled;
27

28 (D) The total amount of reinsurance eligible claims for the reinsurance eligible individual for the
29 benefit year; and
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31 (E) The total amount of reinsurance eligible claims for the reinsurance eligible individual for the
32 benefit year that fall between the attachment point and reinsurance cap;
33

34 (f) A detailed claims file extracted from the reinsurance eligible issuer's claims processing
35 system that includes the issuer's complete record of all reinsurance eligible claims for the benefit
36 year;
37

38 (g) An attestation signed by an executive officer of the reinsurance eligible issuer stating that the
39 information is accurate as of the date of submission; and
40

41 (h) Any other information requested by the department.
42

43 (2) As a condition of receiving reinsurance payments from the Oregon Reinsurance Program, a
44 reinsurance eligible issuer must submit the information required under this rule to the
45 department:
46

1 (a) Using a secure method of transmission approved by the department; and

2
3 (b) On or before July 15 of the year following the benefit year for which the reinsurance payment
4 is requested.

5
6 Stat. Auth.: ORS 731.244 & 2017 Or Laws, ch 538, Sec. 19

7 Stats Implemented: 2017 Or Laws, ch 538, Secs. 18-21

8 Hist.: ID X-2018, f. & cert. ef. X-X-18

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10 **836-150-0040**

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12 **Reinsurance Parameters**

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14 (1) For the benefit year beginning on January 1, 2018 the parameters for the Oregon Reinsurance
15 Program are:

16
17 (a) An attachment point of \$95,000;

18
19 (b) A reinsurance cap of \$1,000,000; and

20
21 (c) A coinsurance rate of fifty percent.

22
23 (2) For the benefit year beginning on January 1, 2019 the parameters for the Oregon Reinsurance
24 Program are:

25
26 (a) An attachment point of \$90,000;

27
28 (b) A reinsurance cap of \$1,000,000; and

29
30 (c) A coinsurance rate of fifty percent.

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32 Stat. Auth.: ORS 731.244 & 2017 Or Laws, ch 538, Sec. 19

33 Stats Implemented: 2017 Or Laws, ch 538, Secs. 18-21

34 Hist.: ID X-2018, f. & cert. ef. X-X-18

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36 **836-150-0050**

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38 **Reinsurance Payments**

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40 (1) The department will calculate the total reinsurance payment owed to each reinsurance
41 eligible issuer.

42
43 (a) Subject to paragraph (b) and (c) of this rule, the reinsurance payment made to each
44 reinsurance eligible issuer for a benefit year will be the product of the coinsurance rate and the
45 portion of the reinsurance eligible issuer's total reinsurance eligible claims for the benefit year
46 that fall between the attachment point and the reinsurance cap.

1
2 (b) If the total reinsurance payments calculated under paragraph (a) of this rule would exceed the
3 total dollar amount budgeted for the reinsurance program in a benefit year, the department may
4 uniformly reduce the coinsurance rate for all reinsurance eligible issuers in that benefit year. If
5 the department elects to reduce the coinsurance rate under this paragraph, the department will
6 reduce the coinsurance rate only to the extent necessary to ensure that reinsurance payments do
7 not exceed the total dollar amount budgeted for the benefit year.
8

9 (c) In making the calculation under paragraph (a), the department may disregard any or all
10 reinsurance eligible claims reported by a reinsurance eligible issuer under OAR 836-150-0030
11 that cannot be verified as part of the audit described under OAR 836-150-0060(1).
12

13 (2) The department will issue reinsurance payments to all reinsurance eligible issuers on an
14 annual basis in the year following each benefit year.
15

16 (3) Payments will be made directly to reinsurance eligible issuers by a method selected by the
17 department.
18

19 Stat. Auth.: ORS 731.244 & 2017 Or Laws, ch 538, Sec. 19
20 Stats Implemented: 2017 Or Laws, ch 538, Secs. 18-21
21 Hist.: ID X-2018, f. & cert. ef. X-X-18
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23 **836-150-0060**

24 **Duties of the Administrator**

25
26 As administrator of the Oregon Reinsurance program, the department will:
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28 (1) Conduct an audit of the information submitted under 836-150-0030.
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30 (2) Notify reinsurance eligible issuers of the results of the calculation described under 836-150-
31 0050, including any modifications of the coinsurance rate.
32

33 (3) Issue reinsurance payments to each reinsurance eligible issuer in accordance with OAR 836-
34 150-0050.
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36
37 Stat. Auth.: ORS 731.244 & 2017 Or Laws, ch 538, Sec. 19
38 Stats Implemented: 2017 Or Laws, ch 538, Secs. 18-21
39 Hist.: ID X-2018, f. & cert. ef. X-X-18
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