



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services

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OREGON INSURANCE DIVISION BULLETIN INS 2009-10

TO: All interested parties including all health insurers and health care service contractors.

RE: House Bill 2116 (2009) and the Health Insurance Premium Assessment.

The State of Oregon Insurance Division of the Department of Consumer and Business Services (“DCBS”) is issuing this bulletin as a supplement to Bulletin 2009-9 related to House Bill 2116, passed by the 2009 Oregon Legislative Assembly (“HB 2116”). This bulletin provides additional information regarding Footnote 2 to Bulletin 2009-9.

HB 2116 requires, beginning October 1, 2009, all insurers and health care service contractors receiving premiums derived from health plan policies insuring Oregon residents or delivered or issued for delivery in Oregon (“health insurers”) to pay an assessment to DCBS in the amount of one percent of the gross amount of premiums earned during each calendar quarter no later than 45 days following the end of each calendar quarter. According to the law as written, health insurers must pay the assessment on the gross amount of premiums earned from both: (1) Policies insuring Oregon residents; **and** (2) Policies delivered or issued for delivery in Oregon. This means that the assessment must be paid on that portion of gross premiums earned from policies covering Oregon residents even when such policies are issued in another state. The first payment is due no later than February 15, 2010.

In a hearing on September 30, 2009 before the Senate Interim Committee on Health Care, legislation for the February 2010 legislative session was discussed that if passed, would amend HB 2116 to remove the requirement that health insurers pay the assessment on the gross amount of premiums earned from policies insuring Oregon residents. If passed in its current form, the proposed legislation discussed at the hearing would be retroactive and would therefore change the calculation of the assessment payments for the first and all subsequent payments. If the legislation becomes law, health insurers will be required to pay the assessment only on policies delivered or issued for delivery in Oregon. However, unless and until there is a change in the law, DCBS must enforce the law as written.

This bulletin takes effect immediately.

Dated this 29th day of October 2009 at Salem, Oregon.

(Signed)

Teresa D. Miller, Administrator
State of Oregon Insurance Division
Department of Consumer and Business Services