



# Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Division of Financial Regulation

350 Winter St. NE, Room 410

P.O. Box 14480

Salem, OR 97309-0405

## Oregon Division of Financial Regulation Bulletin DFR 2017-06-v2

TO: Health Insurance Issuers Subject to House Bill 2391 and Other Interested Parties

DATE: December 1, 2017

RE: Guidance for Health Insurance Premium Assessment

### Summary

Health benefit plans delivered or issued for delivery in Oregon are subject to the 1.5 percent premium assessment established under House Bill 2391 (2017). The premium assessment has been referred to voters and the referendum election will be held on January 23, 2018. This bulletin provides operational guidance to insurers with health benefit plans subject to the assessment and will be updated with additional guidance.

### Background

On July 3, 2017 Governor Brown signed House Bill 2391 into law. The bill creates the Oregon Reinsurance Program and establishes a 1.5 percent assessment of the gross amount of premiums earned by insurers on health benefit plans delivered or issued for delivery in Oregon. The bill, as written, becomes operative on January 1, 2018.

### Guidance

*Question:* Which types of plans are subject to the assessment?

*Answer:* Only health benefit plans as defined in statute under ORS 743B.005.

*Question:* How long is the assessment effective?

*Answer:* The assessment applies to premiums earned by an insurer for a period of eight calendar quarters beginning on the date, on or after January 1, 2018, that the policy or certificate for which the premiums are paid is issued or renewed.

*Question:* Are large group health benefit plans subject to the assessment?

*Answer:* Fully-insured large groups are subject to the assessment. Self-insured plans are not subject to the assessment.

*Question:* If a group health benefit plan is renewed on December 1, 2017 when does the plan become subject to the assessment?

*Answer:* A group health benefit plan that renews prior to January 1, 2018 will not be subject to the assessment until the next renewal that occurs on or after January 1, 2018.

*Question:* If voters affirm House Bill 2391 at the referendum vote on January 23, 2018, will the health insurance assessment be collected retroactively to January 1, 2018?

*Answer:* Yes. Insurers will be assessed for the gross amount of premiums earned retroactive to January 1, 2018.

*Question:* Can insurers that included the assessments in their rates revise their rates until the outcome of Measure 101 is announced?

*Answer:* Insurers offering health benefit plans in the individual and small group markets are subject to rate review requirements and may not revise their rates.

*Question:* If voters reject Measure 101, is the insurer responsible for refunding any premium assessment to consumers?

*Answer:* The Division of Financial Regulation (division) expects insurers will refund amounts collected from policyholders equal to the premium assessments if voters reject Measure 101. The division anticipates the refund mechanism may vary based on the market (individual, small group, or large group) and we will engage insurers in creating the processes used to implement refunds.

*Question:* If Measure 101 passes how will insurers report premium assessment to the division?

*Answer:* The division is currently working with Department of Consumer and Business Services (department) staff to develop a reporting mechanism in iReg.

*Question:* Will insurers receive assessment reporting and payment reminders?

*Answer:* Yes. Insurers may receive reminders through iReg or by email. Insurers should update iReg with the appropriate contact information and opt-in to reminders.

*Question:* Who is the division contact for technical questions on assessment reporting?

*Answer:* Technical questions on assessment reporting may be referred to Shannon O'Shea, [shannon.oshea@oregon.gov](mailto:shannon.oshea@oregon.gov), or Gail McFarlin, [gail.l.mcfarlin@oregon.gov](mailto:gail.l.mcfarlin@oregon.gov).

*Question:* Who is the division contact for policy questions related to the implementation of House Bill 2391?

*Answer:* Policy questions on the House Bill 2391 assessment may be referred to Michael Schopf, [michael.d.schopf@oregon.gov](mailto:michael.d.schopf@oregon.gov).



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TK Keen  
Deputy Administrator  
Division of Financial Regulation

12/1/17

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Date