

Department of Consumer and Business Services
Oregon Division of Financial Regulation – 5
P.O. Box 14480
Salem, OR 97309-0405
Phone: (503) 947-7983

TRANSMITTAL AND STANDARDS
For Group Health Coverage to be issued to a
Discretionary Group

Department Action:
<input type="checkbox"/> Disapproved as incomplete
<input type="checkbox"/> Approved; Limitations _____

<input type="checkbox"/> Withdrawn
<input type="checkbox"/> Disapproved; Reason _____

<input type="checkbox"/> SEHI Exemption Applies ORS 743.734(7)
Action Date: _____
Effective Date: _____
Analyst: _____
Filing No/Date: _____
<input type="checkbox"/> DFR Group No: _____

NOTE: HOUSE BILL 3321, WHICH BECAME EFFECTIVE JULY 1, 2007,
REMOVED THE STATUS OF “EXEMPT” FROM ORS 731.146 FOR GROUP
HEALTH INSURANCE ISSUED TO DISCRETIONARY GROUPS

SECTION I – TRANSMITTAL

Admitted Insurer Name: _____

NAIC No: _____

Filing entity (if not insurer) _____

Note: If not the insurer, a letter of authorization must be included in the filing.

Contact Person: _____

Title: _____

Mailing Address: _____

Toll-free/Collect Phone No: _____

Fax No: _____

E-mail Address: _____

Name and mailing address of the discretionary group as it appears on the legal document:

Name: _____

Mailing address: _____

State of situs for the discretionary group: _____

Group number assigned by Oregon Division of Financial Regulation (if known): _____

Insurers proposing to issue group health plans through discretionary groups must file the group’s
qualifications and applicable documents as listed in this form before any coverage is issued.

List the types of coverage you intend to issue to this group: _____

Filing instructions: This checklist must be submitted with your filing. In a cover letter or actuarial memorandum, include explanations as requested in the requirements. **Filing must include:**

a.) An explanation of whether the forms are negotiated (Policy, Certificate and/or riders)

b.) An explanation of the custom benefits and/or administrative options that are not filed due to the filing exemption requirement of negotiated forms.

SECTION II – STANDARDS FOR GROUP HEALTH COVERAGE TO BE ISSUED TO A DISCRETIONARY GROUP – COMPLETE THIS SECTION IN FULL

ORS 743.522(2)

1. Copies of the trust document, By-laws, or other organizational registration documents and Constitution are included with this filing.
2. The filing documentation explains how issuance of the group health insurance policy to this discretionary entity is in the best interest of the public and does not violate ORS 742.005 or ORS 743.522(2).
3. The filing documentation explains the purpose for organizing the members.
4. The filing documentation defines the qualifications for eligible members. Qualifications must comply with Oregon law. (*Membership of other entities is not permitted since each entity would have to be reviewed for compliance with Oregon law.*)
5. The document provides for replacement of the master policy or continuance of the certificate as an individual policy if the trust is dissolved.
6. The filing includes a statement explaining how the premiums are paid and who submits the payments to the insurer.
7. Any future changes in the information contained in this filing, including the type of coverage issued, must be filed with the Oregon Division of Financial Regulation (ORS 743.522(2)).
8. The filing includes a description of the targeted market, your company's marketing approach, the licensed entities through which the group will be solicited, and the availability of customer service.
9. The filing includes a copy of the disclosure provided to the applicant that identifies the policyholder and the authority of the policyholder to make changes, gives notification of changes to the participants, and states the consent to the participant is not required for the policyholder to make changes.
10. The filing includes documentation supporting economies of acquisition or administration resulting from such a group policy. ORS 743.522(2)(a)(B) **To meet this requirement, provide the following:**
 - (a) An explanation of the cost savings, such as providing the economies of larger groups, marketing costs, and commission structure.
 - (b) A list of group policy administrators and explanation of established fiduciary responsibilities to the group.

11. The filing includes an actuarial demonstration showing that benefits are reasonable in relation to the premiums charged. ORS 743.522(2)(a)(C) and 746.005(6) and (7) To meet this requirement for health insurance, attach **Appendix C** or any substantially similar support and include an **actuarial memorandum** explaining the following:
- (a) Assumptions and sources of the data,
 - (b) Information about new or experimental benefits and features,
 - (c) Effects of the groups' characteristics on these projections, and
 - (d) Any influences that could affect the reliability of these projections.
12. The filing includes a statement certifying that all policies, applications, enrollment forms and any other form that will be issued to the group are in compliance with Oregon law. Please refer to ORS 742.003. If new policies are filed for this group, the form requirements are included with this filing for review and approval. See the form filing requirements under the applicable product on our Web site. *(If an approved policy, application, or form has been modified to accommodate the group and the changes are within the variable brackets previously approved, the forms do not need to be filed.)*

List form numbers of policies, certifications, applications, and other forms to be issued to the group.

(If necessary use a separate document)

Form number	Product or form type	Negotiated (Y/N) If no, provide the State Filing number in which the forms were approved in next column	State filing number

Please certify by checking the box

13. Underwriting criteria used by the insurer does not include actual or expected health status of individual enrollees. (ORS 743.752(1))
14. Solicitation and participation materials are in compliance with sales practices described under ORS 743.523.
15. YES NO Is a health benefit plan issued to small employer groups (2-50 employees) through this Discretionary group? Please note: Health benefit plan is defined in ORS 743.730(18).
If yes, please indicate how the group is rated.
- a. Rated as one large group as a whole
 - b. Large and small according to small group rating requirements
 - c. Exempt to small group rating requirements.

Include the following documentation with this filing:

- a. Actuarial demonstration that the initial premium rate does not vary by more than 50% across the groups of small employers under the plan. (ORS 743.734(7)(b)(A))
- b. Membership requirements of the discretionary group.
- c. Small employer groups that have two or more eligible employees and that meet the membership requirements for the discretionary group are not excluded from the health benefit plan. (ORS 743.734(7)(C))

- d.** ORS 743.734(7) allows health benefit plans issued to small employer groups through qualified discretionary groups to be exempt from certain small employer health insurance (SEHI) laws; specifically, ORS 743.733 to 743.737, if certain conditions are met. I understand that the Division of Financial Regulation will inform the insurer if the exemption applies to this filing when the filing disposition is made.
- e.** Eligibility for the SEHI exemption requires the health benefit plan to maintain a retention rate of at least 95%.
- f.** Eligibility for the SEHI exemption requires the insurer to comply with specific reporting requirements of the Oregon Division of Financial Regulation.