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## State releases annual report on health insurance

(Salem) — Health insurance premiums continued to grow in 2011 but at slower rates than in recent years, according to the Department of Consumer and Business Services (DCBS) annual report on *Health Insurance in Oregon*.

The 2012 report describes how health insurance is regulated in Oregon and provides detailed information on how Oregon's seven largest insurers are faring financially. Some highlights:

- Many insurers reported lower-than-expected medical claims in 2011, slowing growth in health insurance rates in the individual and small employer (2-50 employees) markets. The average annual rate increase in the small group market was 6.6 percent in 2011, down from nearly 11.7 percent in 2010.
- As of mid-2011, a total of 89 cents of every premium dollar went to pay medical claims. Another nine cents paid insurance company operating costs and the remaining two cents was profit, or net underwriting gain. This is the difference between what an insurer earns in premiums and what it pays out in claims and administrative costs.
- In state-regulated insurance markets, Kaiser Foundation Health Plan of the Northwest and Regence BlueCross BlueShield of Oregon hold 49 percent of the business based on premium. However, five additional health insurers have significant slices of the pie, depending on the insurance market.

“Oregon has among the most competitive insurance markets in the country and that helps ensure that a high percentage of premiums go for health care versus administration and profit,” Acting DCBS Director Patrick Allen said.

A key change in insurance regulation started in fall 2011 when the DCBS Insurance Division began conducting public hearings on most rate requests. Beginning in February 2012, the department will stream hearings live. Details will be available at [www.oregonhealthrates.org](http://www.oregonhealthrates.org). Click on “public hearings.”

“This year, in addition to the full report, we have new webpages that highlight key financial data in consumer-friendly charts and graphs,” Acting Insurance Division Administrator Lou Savage said. “Consumers can find information on where Oregonians get insurance, premium trends, profitability of insurers, and company by company data for our seven largest health insurers.”

The full *Health Insurance in Oregon* report is available under “Headlines” on the division’s homepage: [insurance.oregon.gov/](http://insurance.oregon.gov/). The new pages featuring key data can be found by clicking on “financial data” at [www.oregonhealthrates.org](http://www.oregonhealthrates.org).

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