

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

DIVISION 9

FEES AND CHARGES

836-009-0020 (New)

Definitions

As used in OAR 836-009-0020 to 836-009-0040:

(1) "Gross amount of premiums" has the meaning given in ORS 731.808. "Gross amount of premiums" includes premiums earned from riders that are subject to the assessment.

(2) "Health insurer" means any insurer or health care service contractor receiving premiums derived from health plan policies delivered or issued for delivery in Oregon.

(3) "Health plan" has the meaning given in ORS 743.960. As used in the types of insurance excluded from "health plan," "disability insurance" includes accidental death and dismemberment insurance.

Stat. Auth.: ORS 731.244

Stats. Implemented: ORS 743.960, 743.961, 743.965

836-009-0025 (New)

Verified Assessment Reporting and Form

(1) Beginning October 1, 2009, every health insurer shall pay an assessment to the Department of Consumer and Business Services in the amount of one percent of the gross amount of premiums earned during each calendar quarter. The health insurer shall submit the assessment no later than 45 days following the end of each calendar quarter.

(2) A health insurer must pay the assessment described in ORS 743.961 on the gross amount of premiums earned from policies delivered or issued for delivery in Oregon.

(3) To calculate the premiums earned for a calendar quarter, the health insurer must deduct returned premiums from premiums received by the insurer and its insurance producers during a calendar quarter.

(4) In addition to any information requested by the Department of Consumer and Business Services, the health insurer must submit with the assessment a verified form created by the Department of Consumer and Business Services and posted on the department's website and must report:

(a) All of the health plans issued or renewed during the calendar quarter for which the assessment is paid; and

(b) The gross amount of premiums earned by line of insurance from all health plans issued or renewed during the calendar quarter for which the assessment is paid.

(5) The one percent assessment imposed under ORS 743.960, 743.961, 743.965 and 743.990 and section 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116) is in

1 addition to and not in lieu of any other tax, surcharge, or assessment imposed on the
2 insurer and applies to premiums earned by health insurers from October 1, 2009 through
3 September 30, 2013.

4
5 Stat. Auth.: ORS 731.244

6 Stats. Implemented: ORS 743.960, 743.961, 743.965 and section 8, chapter 867, Oregon Laws
7 2009 (Enrolled House Bill 2116)

8
9 836-009-0030 (New)

10 One-Time Increase in Existing, Approved Premium Rates

11
12 (1) Beginning October 1, 2009, a health insurer may but is not required to increase
13 existing premium rates by up to one percent in accordance with the limitations provided in
14 section 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116). In order to
15 determine the amount of increase of existing rate that is allowed, the insurer shall multiply
16 the existing premium by 1 percent. The result derived from multiplying the premium by
17 .01 is the maximum amount of increase the insurer may add to an existing, approved rate.

18 (2) If an insurer miscalculates the one-time increase allowed under section (1) of this
19 section, and if the insurer has already issued billing statements, the insurer may refund
20 amounts collected in excess of one percent by crediting customers in subsequent billings, by
21 issuing separate refunds, or credit customers by other methods as long as all refunds are
22 made or the insurer has resolved the issue by the close of the 2009 calendar year. An
23 increase to existing rates may not be applied retroactively.

24 (3) If the Department of Consumer and Business Services has already approved a
25 health insurer's existing rate, the health insurer should not file for approval of the one-time
26 premium rate increase allowed by section (1) of this rule.

27 (4) If a health insurer that has already had its rates approved does increase its rates
28 by an amount up to the allowed one percent, the insurer must include a notice that explains
29 the rate increase with the first consumer billing reflecting the rate increase. The notice may
30 be printed on the consumer billing, on a sticker affixed to the consumer billing, or on a
31 separate insert with the consumer billing. A health insurer that bills electronically may
32 include the notice electronically or may send the notice separately by mail. The notice
33 should not be sent with subsequent future billings. A health insurer may communicate with
34 customers in other ways but the insurer may not alter, modify, or add to the notice
35 required by this section, and a health insurer may not list the assessment as a separate line
36 item on consumer billing statements.

37 (5) The notice required under section (4) of this rule shall be either of the following:

38 (a) Notice 1: "Your health insurance premium reflects a new one percent tax. These
39 tax funds together with federal matching funds will be used to provide health benefits for
40 uninsured Oregon children."; or

41 (b) Notice 2: "Beginning [insert date on or after October 1, 2009], your health
42 insurance premium will increase to reflect a one percent tax on health insurance premiums.
43 Funds raised by this tax will be matched more than 2 to 1 by the federal government and
44 will provide access to health care coverage for 80,000 low and moderate-income Oregon
45 children who currently have no health insurance. Ultimately, expanding health care

1 **coverage to those who are uninsured is expected to decrease the portion of your premium**
2 **that currently helps offset the unpaid medical bills of others."**

3
4 Stat. Auth.: ORS 731.244

5 Stats. Implemented: ORS 743.960, 743.961, 743.965 and section 8, chapter 867, Oregon Laws
6 2009 (Enrolled House Bill 2116)

7
8 **836-009-0035 (New)**

9 **Inclusion of Assessment in Future Rate Filings**

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11 **(1) In future rate filings, a health insurer may include amounts actually paid toward**
12 **the assessment. In those rate filings, the health insurer should report the amounts actually**
13 **paid toward the assessment as an element of administrative expense or retention. If a**
14 **health insurer includes in rate filings the amounts actually paid toward the assessment, the**
15 **health insurer should not send the notice set out in OAR 836-009-0030 (4) with consumer**
16 **billing statements.**

17 **(2) If a health insurer increases an existing, approved rate by the allowed amount, a**
18 **subsequent rate filing that includes amounts actually paid toward the assessment must**
19 **include only amounts actually paid toward the assessment in excess of the amounts**
20 **received as a result of the one percent increase in the existing, approved rate.**

21
22 Stat. Auth.: ORS 731.244

23 Stats. Implemented: ORS 743.960, 743.961, 743.965 and section 8, chapter 867, Oregon Laws
24 2009 (Enrolled House Bill 2116)

25
26 **836-009-0040 (New)**

27 **Assessment Derived from Premiums Derived From Contracts not Subject to Rate**
28 **Approval**

29
30 **(1) Any health insurer deriving premiums from contracts of insurance not subject to**
31 **the Department of Consumer and Business Services' rate approval authority may increase**
32 **existing rates on such contracts by one percent but also must provide one of the notices set**
33 **out in OAR 836-009-0030 with the first consumer billing that reflects the rate increase. The**
34 **notice must be in the form described in OAR 836-009-0030 and may not be altered,**
35 **modified, or added to. A health insurer subject to the Department of Consumer and**
36 **Business Services' rate approval authority may not list the assessment as a separate line**
37 **item on the consumer billing statement. The notice should not be sent with subsequent**
38 **consumer billings statements.**

39 **(2) In order to determine the amount of increase of existing rate that is allowed, the**
40 **insurer shall multiply the existing premium by one percent. The result derived from**
41 **multiplying the premium by .01 is the maximum amount of increase the insurer may add to**
42 **an existing contractual rate.**

43
44 Stat. Auth.: ORS 731.244

45 Stats. Implemented: ORS 743.960, 743.961, 743.965 and section 8, chapter 867, Oregon Laws
46 2009 (Enrolled House Bill 2116)