

1 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
2 **INSURANCE DIVISION**

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4 **DIVISION 200**

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6 **DEPARTMENT REGULATORY PROGRAMS**

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8 **Discount Medical Plan Organizations**

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11 **836-0200-0200**

12 **License, Discount Medical Plan Organization; Renewal**

13 (1) An applicant for a license to operate as a discount medical plan organization shall
14 apply for the license by completing and submitting to the Director the application form
15 prescribed by the Director. The application form shall request the information required by
16 section 5, chapter 272, Oregon Laws 2007 and this rule.

17 (2) To enable the Director to determine whether an applicant is financially responsible,
18 the application shall require the following information:

19 (a) Whether the applicant has ever filed for bankruptcy or been adjudged a bankrupt.

20 (b) An audited annual financial statement for the most recent year or alternatively, an
21 unaudited financial statement and the applicable signed federal tax form of the applicant for the
22 most recent year, to prove that the applicant is solvent and has a continuing income stream. An
23 applicant may submit a consolidated financial statement if the statement clearly segregates and
24 reports the affairs of the applicant. The applicable federal tax form for the purpose of this
25 subsection is as follows:

26 (A) For an individual, Form 1040.

27 (B) For a corporation, Form 1120.

28 (C) For a subchapter S corporation, Form 1120S.

29 (D) For a partnership, Form 1065.

30 (E) For a limited liability company, the form that the company files for federal income
31 tax purposes.

32 (c) If the applicant is a corporation that is newly formed for the purpose of transacting
33 business as a discount medical plan organization, the statements and forms required under
34 subsection (b) of this section as they may be available, and the applicant's business plan,
35 including three years of projections of net worth, revenue, expenses and net income.

36 (3) To enable the Director to determine whether an applicant has adequate experience and
37 expertise to operate a discount medical plan organization, an applicant shall indicate, as provided
38 in the application, all states and provinces of Canada in which the applicant currently holds a
39 license, registration or certificate of authority to transact business as a discount medical plan
40 organization, or has held such a license or certificate within ten years prior to the date of the
41 application.

42 (4) To enable the Director to determine whether an applicant is of good character, an
43 applicant shall indicate, as provided in the application, whether any license or registration of the
44 applicant to act in any occupational or professional capacity has ever been refused, revoked or
45 suspended in this or any other state, and whether the applicant has otherwise ever been the
46 subject of an enforcement action taken by a licensing or registration agency. If the applicant's

1 answer is affirmative in any respect, the applicant must also provide the name and address of the
2 licensing or registration agency, the date of the complaint or the action taken against the license
3 or registration, a description of the nature of the complaint or the reason for the action taken
4 against the license or registration, and, with regard to a complaint, a description of the licensing
5 or registering agency's disposition of the complaint.

6 (5) In addition to the requirements of sections (3) and (4) of this rule, to enable the
7 Director further to determine whether an applicant has adequate experience and expertise to
8 operate a discount medical plan organization and whether an applicant is of good character, an
9 applicant shall submit with the application a copy of the NAIC biographical affidavit, completed
10 by the following individuals:

11 (a) Each member of the board of directors, executive committee or other governing board
12 or committee of the discount medical plan organization;

13 (b) Each principal officer in the case of a corporation or each partner or member in the
14 case of a partnership or association who holds an interest of ten percent or more in the
15 partnership or association; and

16 (c) Each shareholder holding directly or indirectly ten percent or more of the voting
17 securities of the discount medical plan organization.

18 (6) A licensee must renew a license by submitting to the Director a completed license
19 renewal application on the form prescribed by the Director, not later than the 30th day after
20 receiving a notice of renewal from the Director.

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22 Stat. Auth.: ORS 731.244 and ORS 742.426

23 Stats. Implemented: ORS 742.426

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25 **836-200-0210**

26 **Renewal of expired license**

27 (1) A person whose license as a discount medical plan organization has expired may
28 renew the license by submitting a completed license renewal application on the form prescribed
29 by the Director, not later than the 90th day after the date the license expired and if:

30 (a) The license was not suspended or revoked by the Director, or not renewed, on any
31 ground under section 11, chapter 272, Oregon Laws 2007; and

32 (b) The Director is satisfied that the person meets the requirements for the license in
33 section 5, chapter 272, Oregon Laws 2007.

34 (2) A person who does not renew an expired license as provided in this rule may obtain a
35 license only if the person applies and qualifies for and is issued the license in the same manner as
36 a person who initially applies for the license.

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38 Stat. Auth.: ORS 731.244 and ORS 742.430

39 Stats. Implemented: ORS 742.430

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41 **836-200-0215**

42 **One-time processing fee, cancelled application**

43 A discount medical plan organization may retain a one-time processing fee that is not
44 more than \$30 when the organization refunds fees, service or subscription charges, dues or other
45 consideration paid by a member who cancels a discount medical plan as provided in section 8,
46 chapter 272, Oregon Laws 2007.

1 Stat. Auth.: ORS 731.244 and ORS 742.432

2 Stats. Implemented: ORS 742.432

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4 **836-200-0220**

5 **License Requirement Not Exclusive**

6 Compliance with the licensing requirement of OAR 836-200-0200 is additional to and
7 not in lieu of any other requirements established by law for the purpose of doing business in this
8 state, including but not limited to compliance with filing requirements of the Secretary of State
9 applicable to assumed business names and applicable to the business structure of an applicant.

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11 Stat. Auth.: ORS 731.244

12 Stats. Implemented: ORS 742.426

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