

**PROGRAM DIVISION  
BULLETIN**

**2006-04**

**January 11, 2006**

**OREGON INSURANCE GUARANTEE  
ASSOCIATION ASSESSMENT**

Effective February 1, 2006, a policy level surcharge will apply to all **Oregon exposures** for the LOBs listed below. Please advise your staff of the following and ensure that your issuance systems are updated to reflect this change.

- I. The surcharge does not apply to surplus lines policies.
- II. The recoupment percentage for AIG policies is 1.1% for policies with effective dates 02-01-2006 through notification not to charge.
- III. An insurer must recoup an assessment from its policyholders on a pro-rata basis of net direct written premiums. For the purpose of this section, "net direct written premiums" are gross premiums, including policy and membership fees, less return premiums and premiums on policies not taken, as reported in column 1 of the Oregon State Page, Exhibit of Premium and Losses.
- IV. An insurer may state the amount of the recoupment assessment in the premium statement on the declaration page of an insurance policy, rather than on the premium billing statement, if the premium billing statement clearly informs the policyholder that the recoupment assessment amount is so located on the declaration page.
- V. If an insurer does not issue a premium billing statement, the insurer must state the amount of the recoupment assessment on the declaration page, on a balance due notice or on a rate quotation.

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**LEXINGTON INSURANCE COMPANY  
PROGRAM DIVISION**

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- VI. An insurer must include the following notice on or with the statement of recoupment assessment at the first time each year in which a recoupment assessment is made:

*Most insurers doing business in Oregon participate in the Oregon Insurance Guarantee Association. In the event an insurer fails, the Association settles unpaid claims on behalf of consumers. Oregon law requires that policies be surcharged directly to recover the costs of handling those claims.*

*If your policy is surcharged, the term "Oregon Insurance Guaranty Association Surcharge" along with an indicated dollar amount will be displayed with the statement of your surcharge.*

*If your policy is surcharged, a phrase similar to "Oregon Surcharge", "ORE Surcharge" or "OIGA Surcharge" along with an indicated dollar amount will be displayed with your billing.*

**The lines of insurance subject to OIGA assessment are as follows:**

All direct insurance written (**Residential and Commercial Property and Casualty; Private Passenger and Commercial Motor Vehicle; Professional Liability; Workers' Compensation**), except life, health, title, surety, credit, mortgage guaranty, home protection insurance, wet marine and transportation insurance, and insurance against the risk of economic loss assumed under a less than fully insured employee health benefit plan, whether issued or delivered as health or casualty insurance.

A copy of the endorsement is attached.

If you have any questions please contact your Program Manager.



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## OREGON INSURANCE GUARANTEE ASSOCIATION SURCHARGE

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If your policy is surcharged, the term “Oregon Insurance Guaranty Association Surcharge” along with an indicated dollar amount will be displayed with the statement of your surcharge.