

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 798

BY: HOOPER

AS INTRODUCED

AN ACT RELATING TO WORKERS' COMPENSATION; AMENDING 85 O.S. 1991, SECTION 61, WHICH RELATES TO METHODS OF SECURING COMPENSATION; MODIFYING PROVISION FOR APPROVAL OF ALTERNATIVE SCHEME FOR WORKERS' COMPENSATION TO INCLUDE TWENTY-FOUR-HOUR INSURANCE COVERAGE; ALLOWING ALTERNATIVE COVERAGE VARIANCE FOR INCREASED DISABILITY COMPENSATION PERIOD AND PAYMENTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 85 O.S. 1991, Section 61, is amended to read as follows:

Section 61. A. An employer shall secure compensation to his employees in one of the following ways:

1. By insuring and keeping insured the payment of such compensation with any stock corporation, mutual association, or other concerns authorized to transact the business of workers' compensation insurance in this state, or by exchanging contracts of indemnity or interinsurance, pursuant to reasonable rules or regulations prescribed by the Administrator providing for and

securing the payment of the compensation provided for in the Workers' Compensation Act. When an insurer issues a policy to provide workers' compensation benefits pursuant to the provisions of the Workers' Compensation Act, the insurer shall file, or cause to be filed, with the Administrator a notice in such form and detail as the Administrator may prescribe by rule and regulation. The notice shall contain the name, address, and principal occupation of the employer, the number, effective date, and expiration date of the policy, and such other information as may be required by the Administrator. The notice shall be filed by the insurer within thirty (30) days after the effective date of the policy. Any insurer who knowingly fails to file the notice required by this subsection, upon conviction, is guilty of a misdemeanor and shall be fined in an amount not to exceed Two Hundred Dollars (\$200.00) for each such offense.

2. By obtaining and keeping in force guaranty insurance with any company authorized to do guaranty business in this state. Each company that issues such guaranty insurance shall file a copy of the contract with the Administrator within thirty (30) days after the effective date of the contract. Any company that knowingly fails to file a copy of the contract as required by this subsection, upon conviction, is guilty of a misdemeanor and shall be fined in an amount not to exceed Two Hundred Dollars (\$200.00) for each such offense.

3. Subject to the approval of the Administrator, by entering into or continuing an agreement with his employees to provide a scheme of compensation, benefits, or combination of health, disability and life insurance which provides twenty-four-hour coverage for an employee whether or not the injury or illness is work related, in lieu of the compensation and insurance provided for in the Workers' Compensation Act. The scheme shall not provide less than the benefits secured by the Workers' Compensation Act nor vary

the compensation period for disabilities or the provisions of the Workers' Compensation Act with respect to periodic payments or the percentage that those payments shall bear to weekly wages, except that the ~~sums~~ compensation period for disabilities and the payments required may be increased. The Administrator shall approve a scheme that provides for contributions by workers, only when it confers benefits commensurate with such contributions and in addition to those required by the Workers' Compensation Act.

4. By furnishing satisfactory proof to the Administrator of the employer's financial ability to pay such compensation. The Administrator, pursuant to rules adopted by the Court or the Administrator for an individual self-insured, an own risk carrier or a group self-insurance association, shall require an employer that has:

- a. less than one hundred (100) employees or less than One Million Dollars (\$1,000,000.00) in net assets to:
 - (1) deposit with the Administrator securities, an irrevocable letter of credit or a surety bond payable to the state, in an amount determined by the Administrator which shall be at least an average of the yearly claims for the last three (3) years; or
 - (2) provide proof of excess coverage with such terms and conditions as is commensurate with their ability to pay the benefits required by the provisions of the Workers' Compensation Act.
- b. one hundred (100) or more employees and One Million Dollars (\$1,000,000.00) or more in net assets to:
 - (1) secure a surety bond payable to the state, or an irrevocable letter of credit, in an amount determined by the Administrator which shall be at

least an average of the yearly claims for the last three (3) years; or

(2) secure excess insurance.

The Administrator may waive the requirements of this paragraph in an amount which is commensurate with the ability of the individual self-insured, own risk carrier or group self-insurance association to pay the benefits required by the provisions of the Workers' Compensation Act. Irrevocable letters of credit required by this section shall contain such terms as may be prescribed by the Administrator and shall be issued for the benefit of the Workers' Compensation Court by a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation.

B. An employer who fails to comply with the provisions of this section shall be subject to the penalty provided for in Section 12 of this title.

C. Any employer that knowingly provides false information to the Administrator for purposes of becoming self-insured, an own risk carrier or a group self-insurance association shall be subject to the perjury laws of this state.

D. The provisions of this title shall not be construed to limit or restrict the ability of political subdivisions of this state or employers subject to the provisions of the Workers' Compensation Act from joining together to form group self-insurance associations pursuant to law or rules promulgated by the Court or the Administrator.

SECTION 2. This act shall become effective September 1, 1992.

43-2-1397

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