

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1781

By: Settle

AS INTRODUCED

An Act relating to workers' compensation; defining terms related to guaranty provisions for self-insurers; creating the Oklahoma Group Self-Insurance Guaranty Fund and the Oklahoma Individual Self-Insureds' Guaranty Association; providing powers and duties of the Fund and Association; providing for the composition, terms and qualifications of members of the Boards of Directors; prescribing duties of the Administrator of the Workers' Compensation Court; limiting liability; prescribing certain civil actions; providing for appellate review; providing for the transfer of certain funds; exempting the Fund and Association from certain taxes; excluding certain entities from guaranty provisions; repealing 85 O.S. 1991, Sections 66.1 and 66.2, which relate to self-insured guaranty funds; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 66.3 of Title 85, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Administrator" means the Administrator of the Workers' Compensation Court;
2. "Asset" means property of all kinds, real and personal, tangible and intangible;
3. "Board" means the Board of Directors of the Fund;
4. "Claimant" means any person, partnership, association or corporation making a claim or request for payment from the Fund;
5. "Covered claim" means an unpaid claim against an insolvent group self-insurer which occurs while the group self-insurer is a member of the Fund and which is compensable under the Workers' Compensation Act. "Covered claim" shall not include any amount awarded as interest, penalties, or punitive or exemplary damages;
6. "Fund" means the Oklahoma Group Self-Insurance Guaranty Fund;
7. "Group administrator" means the individual, partnership, or corporation designated and authorized as the representative of the participating members of a group self-insurer;
8. "Group self-insurer" means two or more employers having a common interest which have entered into agreements to pool their liabilities and have been approved by the Administrator as a group self-insurance association;
9. "Insolvent group self-insurer" means a group self-insurer that is unable to pay workers' compensation claims under the following circumstances:
 - a. the Administrator determines that the group self-insurer's total liabilities exceed its total assets or that the group self-insurer is unable or ceases to pay workers' compensation benefits or its debts as they

become due or in the ordinary course of business,
unless the group self-insurer submits to the
Administrator a plan of rehabilitation that is
satisfactory to the Administrator,

- b. bankruptcy proceedings have been instituted by or
against the group self-insurer and the Administrator
determines that claims are not being paid, or
- c. the group self-insurer has been determined insolvent
by a court of competent jurisdiction;

10. "Obligation" means any known financial liability, including
a court order directing payment or an estimate of total payments due
on any claim for a twelve-month period;

11. "Security" means any asset deposited with the Administrator
in accordance with the provisions of Section 61 of Title 85 of the
Oklahoma Statutes to secure the payment of compensation under the
Workers' Compensation Act; and

12. "Standard premium" means the gross premium adjusted by
experience modification factors developed in accordance with an
Experience Rating Plan approved by the State Board of Property and
Casualty Rates.

B. There is hereby created a nonprofit legal entity to be known
as the Oklahoma Group Self-Insurance Guaranty Fund. The Fund shall
provide mechanisms for the payment of covered claims under self-
insurance coverage, avoid excessive delay in payment and avoid
financial loss to claimants because of the insolvency of a group
self-insurer. The Fund shall perform its functions under a plan of
operation established or amended, or both, by the Board and approved
by the Administrator, and shall exercise its powers through the
Board.

C. 1. All group self-insurers shall be and remain members of
the Fund as a condition of authority to self-insure pursuant to
Section 61 of Title 85 of the Oklahoma Statutes. Failure to comply

with any provision of this section shall be grounds for the Administrator to terminate a group self-insurer's authority to self-insure and shall operate to terminate membership in the Fund.

2. A group self-insurer shall be deemed to be a member of the Fund for purpose of another group self-insurer's insolvency when:

- a. the group self-insurer is a member of the Fund when an insolvency occurs, or
- b. the group self-insurer has been a member of the Fund at some point in time during the twelve-month period immediately preceding the insolvency in question.

3. A group self-insurer shall be deemed to be a member of the Fund for purpose of its own insolvency if it is a member when the compensable injury occurs.

D. 1. The business and functions of the Fund shall be managed and administered by a Board of Directors of not less than five (5) nor more than nine (9) members selected by the Administrator. Each member shall be either a group administrator of an approved group self-insurer or from a member employer of an approved group self-insurer. No more than one member shall be appointed from a group self-insurers. Board members shall be appointed for two (2) years and may be appointed for consecutive terms. Board members shall serve until expiration of their terms unless prior to that time they are removed by the Administrator for cause.

2. Members of the Board shall serve without compensation, but may be reimbursed according to the provisions of the State Travel Reimbursement Act for expenses incurred by them as members of the Board of Directors.

E. The Fund shall:

1. Be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within thirty (30) days after the determination of insolvency. In no event shall

the Fund be obligated to a claimant in an amount in excess of the obligation of the insolvent group self-insurer;

2. Be deemed the group self-insurer to the extent of its obligation on the covered claims and to such extent shall have all rights, duties and obligations of the insolvent group self-insurer as if the group self-insurer had not become insolvent:

- a. covered claims shall be paid in the order received by the Fund and shall be satisfied by being paid as money is available,
- b. if the assessment in any one (1) year does not provide an amount sufficient to make all payments necessary, the funds may be prorated and the unpaid portion shall be paid as soon thereafter as funds become available, and
- c. after paying any claim resulting from a group self-insurer's insolvency, the Fund shall be subrogated to the rights of the injured employee and dependents of such employee as against the group self-insurer and shall be entitled to enforce liability against the group self-insurer by any appropriate action brought in its own name or in the name of the injured employee and dependents;

3. Assess each member as follows:

- a. assess and collect from each group self-insurer annually an amount equal to up to one percent (1%) of the permanent partial disability awards paid by that employer for that calendar year. The Fund shall maintain a balance of One Million Dollars (\$1,000,000.00). The Fund shall establish in the plan of operation a mechanism to calculate the assessment of permanent partial disability awards necessary to

maintain a minimum balance of One Million Dollars (\$1,000,000.00),

- b. if there are insufficient funds to pay the obligations of the Fund, the Board shall levy an additional assessment upon each group self-insurer in an amount to be determined by the Board based on the group self-insurer's standard premium which shall be known as a post-insolvency assessment. A post-insolvency assessment shall not be levied more than once in any calendar year and the maximum post-insolvency assessment shall not exceed two percent (2%) of the group self-insurer's standard premium for the preceding calendar year. If the post-insolvency assessment would jeopardize the solvency of the member group self-insurer, it shall be grounds for termination of the group self-insurer's authority to self-insure and shall operate to terminate membership in the fund. If post-insolvency assessments produce an amount in excess of the obligations of the Fund pursuant to an insolvency, an equitable reimbursement of the surplus may be made to the member group self-insurers in a manner prescribed by the Board pursuant to its plan of operation,
- c. each member group self-insurer shall be notified in writing of the assessment no later than thirty (30) days before it is due. Nonpayment of an assessment shall be grounds for termination of the group self-insurer's membership in the Fund, and
- d. the funds received by the Fund shall be placed in an account in a depository as determined by the Board.

The funds deposited shall be used to pay compensable

claims and costs of administration incurred by the Fund;

4. Investigate claims brought against the Fund and adjust, compromise, settle, and pay covered claims to the extent of the Fund's obligations; deny all other claims; and review settlements, releases and judgments on covered claims to which the insolvent group self-insurer was a party to determine the extent to which such settlements, releases and judgments may be properly contested;

5. Notify the employers of the insolvent member group self-insurer including any known existing claimants, of the insolvency and of their rights under this section. Such notifications shall be by mail at their last-known addresses, where available; but if required information for notification is not available, notice by publication in a newspaper of general circulation in this state shall be sufficient;

6. Handle claims through its employees or one or more claims servicing companies approved by the Administrator. The Administrator may revoke the designation of a claims servicing company if the Administrator finds claims are not being handled satisfactorily;

7. Reimburse each claims servicing company for obligations of the Fund and for reasonable expenses incurred by the company while handling claims on behalf of the Fund and pay other expenses of the Fund authorized by this section; and

8. Have standing to appear before any court of this state for the Fund, where such appearance will further the purposes of this section.

F. The Fund may:

1. Employ or retain attorneys, accountants, claims servicing companies and such persons as are necessary to handle claims and perform other duties of the Fund;

2. Sue or be sued;

3. Negotiate and become a party to such contracts as are necessary to carry out the purposes of this section;

4. Intervene as a party in interest in any matter in which the group self-insurer's interests and the interests of the Fund may be or are affected; and

5. Perform such other acts as are necessary or proper to effectuate the purposes of this section.

G. 1. The Fund shall submit to the Administrator a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the Fund. The plan and any amendments thereto shall become effective upon the written approval of the Administrator.

2. If the Fund fails to submit a suitable plan of operation within one hundred and twenty (120) days following the effective date of this act and the appointment of the members of the Board, or if at any time thereafter the Fund fails to submit suitable amendments to the plan, the Administrator, after notice and hearing, shall adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this section.

3. The plan of operation shall:

- a. establish the procedures whereby all powers and duties of the Fund under this section will be performed,
- b. establish procedures for handling the assets of the Fund,
- c. establish procedures by which claims may be filed with the Fund and establish acceptable forms of proof of covered claims. Notice of claims to the group self-insurer shall be notice to the Fund,
- d. establish regular places and times for meetings of the Board,
- e. establish procedures for records to be kept of all financial transactions of the Fund, its agents and the

Board, and annually submit to the Administrator a financial report for the preceding calendar year in a form prescribed by the Administrator,

- f. establish an annual budget,
- g. provide that any claimant aggrieved by any final decision or action of the Fund may appeal to the Administrator within thirty (30) days after such decision or action,
- h. establish procedures for terminating the membership of a group self-insurer who fails to pay assessments when due,
- i. contain additional provisions necessary or proper for the execution of the powers and duties of the Fund,
- j. adopt a reasonable mechanism and procedure to achieve equity in assessing members as provided in paragraph 3 of subsection E of this section, and
- k. provide that any member group self-insurer aggrieved by any final decision or action of the Fund may appeal to a court of competent jurisdiction within thirty (30) days after such decision or action.

H. 1. The Administrator, upon a finding of insolvency:

- a. shall notify the Fund of the existence of an insolvent group self-insurer not later than forty-five (45) days after the Administrator receives notice of the insolvency or determines the group self-insurer is insolvent, and the Fund shall notify all members of the insolvency, or
- b. may suspend or revoke the authority of the group self-insurer to continue as an approved group self-insurer, or require security and allow the group self-insurer to continue as an approved group self-insurer upon such terms as set forth by the Administrator.

2. The Administrator, custodian, surety or issuer of any irrevocable letter of credit or other asset shall surrender the security or asset to the Board, together with any interest accrued thereon since the date of the self-insurer's insolvency. The Board may expend any security or asset of the insolvent group self-insurer to the extent necessary to pay covered claims and related expenses of the Fund.

I. There shall be no liability on the part of, and no cause of action of any nature shall arise against, any group self-insurer, employer, its employees, the Fund, its directors, employees or agents for any action taken by them in the good-faith performance of their powers and duties under this section.

J. If the Board fails to perform its statutory duties pursuant to this section, any party aggrieved by the Board's failure to act shall have the right to petition the District Court in Oklahoma County for declaratory relief instructing the Board to carry out its statutory duties and functions. The party seeking relief under this section shall not be entitled to monetary damages; provided, however, the successful party to such an action may be awarded costs and attorney fees. Attorney fees and costs awarded against the Board shall be paid by the Fund, rather than by the individual board members.

K. Any final action of the Administrator under this section may be appealed to a three-judge panel of the Workers' Compensation Court.

L. Any unexpended or unencumbered funds contained in the Oklahoma Group Self-Insurance Association Guaranty Fund as of the effective date of this act shall be transferred and deposited to the credit of the account provided for in subsection E of this section. All obligations of the Oklahoma Group Self-Insurance Association Guaranty Fund shall become obligations of the Fund created by this

section and shall be subject to adjustment, compromise, settlement, payment or denial as provided in this section.

M. The Fund shall be exempt from the payment of all fees and all taxes levied by the state or any subdivision thereof.

N. The provisions of this section shall not apply to any state entity or any political subdivision of the state.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 66.4 of Title 85, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Administrator" means the Administrator of the Workers' Compensation Court;

2. "Association" means the Oklahoma Individual Self-Insureds' Guaranty Association;

3. "Board" means the Board of Directors of the Association;

4. "Claimant" means any person, partnership, association or corporation making a claim or request for payment from the Association;

5. "Covered claim" means an unpaid claim against an insolvent self-insurer which occurs while the self-insurer is a member of the Association and which is compensable under the Workers' Compensation Act. "Covered claim" shall not include any amount awarded as interest, penalties, punitive or exemplary damages;

6. "Insolvent self-insurer" means a self-insurer that is unable to pay workers' compensation claims under the following circumstances:

a. the Administrator determines that the self-insurer is unable or ceases to pay workers' compensation benefits or its debts as they become due or in the ordinary course of business,

- b. bankruptcy proceedings have been instituted by or against the self-insurer and the Administrator determines that claims are not being paid, or
- c. the self-insurer has been determined insolvent by a court of competent jurisdiction;

7. "Obligation" means any known financial liability, including a court order directing payment or an estimate of total payments due on any claim for a twelve-month period;

8. "Security" means any asset deposited with the Administrator in accordance with the provisions of Section 61 of Title 85 of the Oklahoma Statutes to secure the payment of compensation under the Workers' Compensation Act; and

9. "Self-insurer" means an individual employer approved as an individual self-insured by the Administrator.

B. There is hereby created a nonprofit legal entity to be known as the Oklahoma Individual Self-Insureds' Guaranty Association. The Association shall provide mechanisms for the payment of covered claims under self-insurance coverage, avoid excessive delay in payment and avoid financial loss to claimants because of the insolvency of a self-insurer. The Association shall perform its functions under a plan of operation established or amended, or both, by the Board and approved by the Administrator, and shall exercise its powers through the Board.

C. 1. All self-insurers shall be and remain members of the Association as a condition of authority to self-insure pursuant to Section 61 of Title 85 of the Oklahoma Statutes. Failure to comply with any provision of this section shall be grounds for the Administrator to terminate a self-insurer's authority to self-insure and shall operate to terminate membership in the Association.

2. A self-insurer shall be deemed to be a member of the Association for purpose of another self-insurer's insolvency when:

- a. the self-insurer is a member of the Association when an insolvency occurs, or
- b. the self-insurer has been a member of the Association at some point in time during the twelve-month period immediately preceding the insolvency in question.

3. A self-insurer shall be deemed to be a member of the Association for purpose of its own insolvency if it is a member when the compensable injury occurs.

D. 1. The business and functions of the Association shall be managed and administered by a Board of Directors comprised of nine (9) members. The initial Board shall be comprised of those members constituting the Individual Self-Insured Guaranty Fund Board prior to the effective date of this act who shall serve until the expiration of their respective terms, unless prior to that time they are removed for cause by the Administrator. When a vacancy on the Board occurs or is certain to occur or for initial appointments to the Board, the Oklahoma Self-Insurers Association shall choose and submit to the Administrator the names of two persons for each appointment after canvassing its members and nonmember self-insurers for nominations. The Administrator shall appoint one nominee to fill each vacancy, taking into consideration geographic representation of the state and diversity in the size of self-insurers. Each member shall be an employer who has been approved by the Workers' Compensation Court as an individual self-insured. No more than one member shall be appointed from an employer. Board members shall be appointed for two (2) years, and may be appointed for consecutive terms. Board members shall serve until expiration of their terms unless prior to that time they are removed by the Administrator for cause.

2. Members of the Board shall serve without compensation, but may be reimbursed according to the provisions of the State Travel

Reimbursement Act for expenses incurred by them as members of the Board of Directors.

3. A simple majority of the Board shall constitute a quorum for the conduct of official business.

E. The Association shall:

1. Be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within thirty (30) days after the determination of insolvency. In no event shall the association be obligated to a claimant in an amount in excess of the obligation of the insolvent self-insurer;

2. Be deemed the self-insurer to the extent of its obligation on the covered claims and to such extent shall have all rights, duties and obligations of the insolvent self-insurer as if the self-insurer had not become insolvent:

a. covered claims shall be paid in the order received by the Association and shall be satisfied by being paid as money is available,

b. if the assessment in any one (1) year does not provide an amount sufficient to make all payments necessary, the funds may be prorated and the unpaid portion shall be paid as soon thereafter as funds become available, and

c. after paying any claim resulting from a self-insurer's insolvency, the Association shall be subrogated to the rights of the injured employee and dependents of such employee as against the self-insurer and shall be entitled to enforce liability against the self-insurer by any appropriate action brought in its own name or in the name of the injured employee and dependents;

3. Assess each member as follows:

a. (1) assess and collect from each member self-insurer an amount equal to up to one percent (1%) of the

permanent partial disability awards paid by that employer for that calendar year, or if the member has no previous Oklahoma experience, an amount to be determined by the Board. This assessment shall be applicable only to employers that are qualified as a self-insurer pursuant to Section 61 of Title 85 of the Oklahoma Statutes,

- (2) assess and collect from each employer that qualifies as a self-insurer after the effective date of this act an amount equal to up to one percent (1%) of such self-insurer's permanent partial disability awards paid by that self-insurer for the previous calendar year or, if the self-insurer has no previous Oklahoma experience, an amount to be determined by the Board. Such self-insurers shall then be assessed annually for the following two (2) years based on one percent (1%) of their permanent partial disability awards paid for the previous calendar year. After making these three required assessments, the obligation of such self-insurers for additional assessments shall be based on the status of the Fund.

- (3) the Association shall maintain a balance of One Million Dollars (\$1,000,000.00). The Association shall establish in the plan of operation a mechanism to calculate the assessment of permanent partial disability awards necessary to maintain a minimum balance of One Million Dollars (\$1,000,000.00). When the balance is or exceeds One Million Dollars (\$1,000,000.00), assessments shall be suspended for the following calendar

year and shall not begin again until the balance falls below Five Hundred Thousand Dollars (\$500,000.00). Notwithstanding the foregoing, if during any calendar year the Board determines there are insufficient funds to pay the obligations of the Association, the Board may levy a post-insolvency assessment as provided in subparagraph b of this paragraph,

b. if there are insufficient funds to pay the obligations of the Association, the Board shall levy an additional assessment upon each member self-insurer in an amount to be determined by the Board which shall be known as a post-insolvency assessment. The post-insolvency assessment shall be computed for each member self-insurer as follows:

(1) one-half of the post-insolvency assessment shall be based upon the percentage ratio of each qualified self-insurer's permanent partial disability losses to the total permanent partial disability claims for all qualified self-insurers, and

(2) one-half of the post-insolvency assessment shall be based upon the percentage ratio of each qualified self-insurer's Oklahoma payroll to the total state payroll of all qualified self-insurers for the preceding calendar year.

A post-insolvency assessment shall not exceed one-quarter of one percent (0.25%) of a self-insurer's previous year's Oklahoma payroll during any calendar year. If the post-insolvency assessment would jeopardize the solvency of the member self-insurer, it shall be grounds for termination of the self-insurer's

authority to self-insure and shall operate to terminate membership in the Association. If post-insolvency assessments produce an amount in excess of the obligations of the Association pursuant to an insolvency, an equitable reimbursement of the surplus may be made to the member group self-insurers in a manner prescribed by the Association pursuant to its plan of operation,

- c. each member self-insurer shall be notified in writing of the assessment no later than thirty (30) days before it is due. Nonpayment of an assessment shall be grounds for termination of the self-insurer's membership in the Association, and
- d. the funds received by the Association shall be placed in the Oklahoma Individual Self-Insureds' Guaranty Association Account in a depository as determined by the Board. The funds deposited shall be used to pay compensable claims and costs of administration incurred by the Association;

4. Investigate claims brought against the Association and adjust, compromise, settle, and pay covered claims to the extent of the Association's obligations; deny all other claims; and review settlements, releases and judgments on covered claims to which the insolvent self-insurer was a party to determine the extent to which such settlements, releases and judgments may be properly contested;

5. Notify any known existing claimants of the insolvent member self-insurer of the insolvency and of their rights under this section. Such notifications shall be by mail at their last-known addresses, where available; but if required information for notification is not available, notice by publication in a newspaper of general circulation in this state shall be sufficient;

6. Handle claims through its employees or one or more claims servicing companies approved by the Administrator. The Administrator may revoke the designation of a claims servicing company if he finds claims are not being handled satisfactorily;

7. Reimburse each claims servicing company for obligations of the Association and for reasonable expenses incurred by the company while handling claims on behalf of the Association and pay other expenses of the Association authorized by this section; and

8. Have standing to appear before any court of this state for the Association, where such appearance will further the purposes of this section.

F. The Association may:

1. Employ or retain attorneys, accountants, claims servicing companies and such persons as are necessary to handle claims and perform other duties of the Association;

2. Sue or be sued;

3. Negotiate and become a party to such contracts as are necessary to carry out the purposes of this section;

4. Intervene as a party in interest in any matter in which the self-insurer's interests and the interests of the Association may be or are affected; and

5. Perform such other acts as are necessary or proper to effectuate the purposes of this section.

G. 1. The Association shall submit to the Administrator a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the Association. The plan and any amendments thereto shall become effective upon the written approval of the Administrator.

2. If the Association fails to submit a suitable plan of operation within one hundred and twenty (120) days following the effective date of this act and the appointment of the members of the Board, or if at any time thereafter the Association fails to submit

suitable amendments to the plan, the Administrator, after notice and hearing, shall adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this section.

3. The plan of operation shall:

- a. establish the procedures whereby all powers and duties of the Association under this section will be performed,
- b. establish procedures for handling the assets of the Association,
- c. establish procedures by which claims may be filed with the Association and establish acceptable forms of proof of covered claims. Notice of claims to the self-insurer shall be notice to the Association,
- d. establish regular places and times for meetings of the Board,
- e. establish procedures for records to be kept of all financial transactions of the Association, its agents and the Board, and annually submit a financial report to the Administrator for the preceding calendar year in a form prescribed by the Administrator,
- f. establish an annual budget,
- g. provide that any claimant aggrieved by any final decision or action of the Association may appeal to the Administrator within thirty (30) days after such decision or action,
- h. establish procedures for terminating the membership of a self-insurer who fails to pay assessments when due,
- i. contain additional provisions necessary or proper for the execution of the powers and duties of the Association,

- j. adopt a reasonable mechanism and procedure to achieve equity in assessing members as provided in paragraph 3 of subsection E of this section, and
- k. provide that any member self-insurer aggrieved by any final decision or action of the Association may appeal to a court of competent jurisdiction within thirty (30) days after such decision or action.

H. 1. The Administrator, upon a finding of insolvency:

- a. shall notify the Association of the existence of an insolvent self-insurer not later than forty-five (45) days after the Administrator receives notice of the insolvency or determines the self-insurer is insolvent, and the Association shall notify all members of the insolvency, or
- b. may suspend or revoke the authority of the employer to continue as an approved self-insured, or allow the employer to continue as an approved self-insured upon such terms as set forth by the Administrator.

2. The Administrator, custodian, surety or issuer of any irrevocable letter of credit shall surrender the security to the Board, together with any interest accrued thereon since the date of the self-insurer's insolvency. The Board may expend any security of the insolvent self-insurer to the extent necessary to pay covered claims and related expenses of the Association.

I. There shall be no liability on the part of, and no cause of action of any nature shall arise against, any self-insurer, employer, its employees, the Association, its directors, employees or agents for any action taken by them in the good-faith performance of their powers and duties under this section.

J. If the Board fails to perform its statutory duties pursuant to this section, any party aggrieved by the Board's failure to act shall have the right to petition the District Court in Oklahoma

County for declaratory relief instructing the Board to carry out its statutory duties and functions. The party seeking relief under this section shall not be entitled to monetary damages; provided, however, the successful party to such an action may be awarded costs and attorney fees. Attorney fees and costs awarded against the Board shall be paid by the Association, rather than by the individual Board members.

K. Any final action of the Administrator under this section may be appealed to a three-judge panel of the Workers' Compensation Court.

L. Any unexpended or unencumbered funds contained in the Individual Self-Insured Guaranty Fund as of the effective date of this act shall be transferred and deposited to the credit of the account provided for in subsection E of this section. All obligations of the Individual Self-Insured Guaranty Fund shall become obligations of the Association created by this section and shall be subject to adjustment, compromise, settlement, payment or denial as provided in this section.

M. The Association shall be exempt from the payment of all fees and all taxes levied by the state or any subdivision thereof.

N. The provisions of this section shall not apply to any state entity or any political subdivision of the state.

SECTION 3. REPEALER 85 O.S. 1991, Sections 66.1 and 66.2, are hereby repealed.

SECTION 4. This act shall become effective September 1, 1993.

44-1-5125 PS