ENROLLED SENATE
BILL NO. 474

By: Fisher and Monson of the Senate

and

Rice and Pettigrew of the House

An Act relating to insurance; amending 36 O.S. 1991, Sections 609 and 6504, which relate to kinds of insurance insurers may transact and the Basic Health Benefits Board; prohibiting development or approval of certain plans by Basic Health Benefits Board after certain date; clarifying statutory reference; authorizing issuance of certain insurance by life insurer; allowing offering, issuance or renewal of certain plans only to certain employers; amending 68 O.S. 1991, Section 2357.31, which relates to tax credit for state certified basic health benefits plans; prohibiting granting of tax credits or refunds to employers not covered under such plans prior to certain date; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 36 O.S. 1991, Section 609, is amended to read as follows:

Section 609. An insurer which otherwise qualifies therefor may be authorized to transact any one kind or combination of kinds of insurance as defined in Section 701 et seq. of this title, except:

1. A life insurer shall not be authorized to transact any other kind of insurance except accident and health and workers' compensation and employer liability equivalent insurance if otherwise qualified to do so on or after September 1, 1994, pursuant to the provisions of Section 65 of Title 85 of the Oklahoma Statutes or if immediately prior to the effective date of this Code any life insurer lawfully held a subsisting certificate of authority granting

it the right to transact in Oklahoma additional kinds of insurance other than accident and health, so long as the insurer is otherwise in compliance with this Code the Insurance Commissioner shall continue to authorize such insurer to transact the same kinds of insurance as those specified in such prior certificate of authority;

2. A reciprocal insurer shall not transact life insurance;

3. A Lloyd's insurer shall not transact life insurance;

4. A title insurer shall be a stock insurer and shall not transact any other kind of insurance; and

5. No insurer shall issue for delivery or deliver in this state any contract of insurance which imposes contingent or assessment liability upon a resident of this state.

SECTION 2. AMENDATORY 36 O.S. 1991, Section 6504, is amended to read as follows:

Section 6504. A. There is hereby created the Oklahoma Basic Health Benefits Board, to continue until July 1, 1996, in accordance with the provisions of the Oklahoma Sunset Law. The Board shall determine and approve the terms and conditions of a state-certified, basic health benefits plan and provide for the promotion and administration of the plan in accordance with the provisions of this act.

B. The Board shall be composed of eleven (11) members who shall be appointed as follows:

1. One member shall be appointed by the President Pro Tempore of the Senate from an employer or business organization;

2. One member shall be appointed by the Speaker of the House of Representatives from an organization representing employees who lack health insurance; and

3. Nine members shall be appointed by the Governor, subject to confirmation by the Senate, one of whom shall be appointed from each of the following categories:

a. a physician licensed to practice medicine in this state pursuant to the provisions of Section 481 et seq. of Title 59 of the Oklahoma Statutes and included on a list of nominees provided by the Oklahoma State Medical Association,

b. an osteopathic physician licensed to practice osteopathic medicine in this state and included on a list of nominees provided by the Oklahoma Osteopathic Association,

c. a chiropractic physician licensed to practice chiropractic in this state and included on a list of nominees provided by a recognized chiropractic association,

d. a physical therapist licensed to practice in this state pursuant to the provisions of Section 887.1 et seq. of Title 59 of the Oklahoma Statutes and included on a list of nominees provided by the Oklahoma Chapter of the American Physical Therapy Association,

e. a hospital administrator or a member of a hospital governing board included on a list of nominees submitted by the Oklahoma Hospital Association,

f. a state official with responsibilities for delivery of health services,

g. a state official with responsibilities for administration of purchasing functions,

h. a person who has professional training and experience in health insurance, and

i. a person who is licensed to practice law or as a public accountant or a certified public accountant in this state and has experience in fund management.

C. Members of the Board shall serve three-year terms and until their respective successors are appointed and qualified. Provided,

of those members initially appointed by the Governor, three members shall serve for one (1) year, three members shall serve for two (2) years and three members shall serve for three (3) years, as designated by the Governor. A vacancy in a position on the Board shall be filled for the unexpired term in the same manner as the original appointment.

D. At the first meeting and annually thereafter, the Board shall elect a chairman, who shall preside over the meetings of the Board and perform such other duties as required by the Board; a vice-chairman, who shall perform the duties of the chairman in the absence of the latter or upon his inability or refusal to act; and a secretary, who shall keep minutes of all meetings and who shall certify to actions of the Board. The Board shall hold regular meetings at least once each quarter and may hold special meetings upon written notice of the chairman or by agreement of any five members of the board.

A majority of the members of the Board shall constitute a quorum for the transaction of business and for taking any official action. Official action of the Board must have a favorable vote by a majority of the members present. No Board member shall be individually or personally liable for any action of the Board. The Board shall adopt rules and procedures to effectuate its purpose.

The Board shall act in accordance with the provisions of the Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, the Oklahoma Open Records Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes, and the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes.

E. The Board shall hire an Administrator who shall be in the unclassified service. The Administrator shall have supervisory, managerial or administrative health insurance experience in insurance underwriting, safety or loss prevention, claims management or claims adjustment. The Administrator shall act at the direction of and provide staff support to the Board. Office space and logistical support required by the Board shall be provided by the Office of Public Affairs. The Attorney General shall provide the Board with legal advice and with assistance in drafting rules of the Board.

F. Members of the Board shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

G. Beginning July 1, 1995, the Basic Health Benefits Board shall not develop or approve any new state-certified, basic health benefits plan or plans. A state-certified, basic health benefits plan which has been developed or approved by the Board may only be offered, issued or renewed on or after July 1, 1995, to employers covered under any state-certified, basic health benefits plan prior to July 1, 1995, provided there has not been nor will be a lapse in coverage.

SECTION 3. AMENDATORY 68 O.S. 1991, Section 2357.31, is amended to read as follows:

Section 2357.31 A. As used in this section:

1. "Eligible employer" means a corporation, partnership or proprietorship which:

a. has done business in this state for at least one (1) year,

b. has not provided group health insurance within the fifteen (15) months preceding the offer to purchase group health insurance which meets the requirements of this section to at least seventy-five percent (75%) of its employees who are residents of this state and work

an average of twenty-four (24) hours or more a week for said employer,

c. offers the state-certified, basic health benefits plan to all eligible employees who worked an average of twenty-four (24) hours or more a week during the calendar quarter preceding the purchase of the policy, and

d. pays fifty percent (50%) or more of the full cost of the portion of the premium attributable to the employee for which the employer is claiming credit;

2. "Eligible employee" means an employee, proprietor or partner of the employer claiming the credit who:

a. is a resident of this state,

b. works an average of twenty-four (24) hours a week or more for the employer, and

c. was not covered by a group health insurance policy or plan offered by the same employer within the fifteen (15) months preceding the offer to purchase health insurance which meets the requirements of this section; and

3. "State-certified, basic health benefits plan" means the basic health benefits plan developed and approved by the Oklahoma Basic Health Benefits Board.

B. 1. For tax years beginning after December 31, 1990, there shall be allowed to an eligible employer a credit against the tax imposed by Section 2355 of this title for premiums paid on behalf of each eligible employee who elects to participate in the state-certified, basic health benefits plan and meets the requirements of this section. The credit shall be in the amount of Fifteen Dollars ($15.00) a month for each eligible employee and shall be allowed for two (2) consecutive tax years. Provided, if the tax liability of an employer pursuant to Section 2355 of this title is less than the credit to which the employer is entitled pursuant to this section, the Oklahoma Tax Commission shall pay a refund to the employer. The refund shall equal the difference between the amount of taxes owed, after any other credits or exemptions to which the employer is entitled have been applied to the tax liability, and the credit to which the employer is entitled pursuant to this section for the tax year.

2. Tax credits or refunds may not be granted pursuant to the provisions of this section to an employer who, prior to July 1, 1995, was not covered under a state-certified, basic health benefits plan.

C. The credit shall not be granted unless the eligible employer certifies to the Oklahoma Tax Commission that each employee for which the credit is claimed is participating in the state-certified, basic health benefits plan.

D. The Oklahoma Tax Commission shall develop and issue appropriate forms and instructions to enable eligible employers to claim the tax credit. The Commission shall promulgate rules to facilitate the implementation of this section.

SECTION 4. This act shall become effective July 1, 1995.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.