

STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

HOUSE BILL NO. 1518

By: Kinnamon

AS INTRODUCED

An Act relating to workers' compensation insurance; amending Section 1, Chapter 22, O.S.L. 1994 (85 O.S. Supp. 1994, Section 65), which relates to workers' compensation equivalent insurance products; modifying statutory references; and providing an effective date.

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

SECTION 1. AMENDATORY Section 1, Chapter 22, O.S.L. 1994 (85 O.S. Supp. 1994, Section 65), is amended to read as follows:

Section 65. A. Notwithstanding any provision of the Oklahoma Statutes to the contrary, an employer may secure workers' compensation to his employees through an approved workers' compensation equivalent insurance product authorized by this section.

B. All workers' compensation equivalent insurance products shall be subject to the approval of the Insurance Commissioner and the State Board for Property and Casualty Rates and shall comply with Articles 9 and 36 of Title 36 of the Oklahoma Statutes and ~~Title 85 of the Oklahoma Statutes~~ this title. No workers'

compensation equivalent insurance product shall be approved unless the following requirements are complied with:

1. The product is issued by an insurance carrier admitted to do business in the state that has a surplus in regard to policyholders of at least Fifty Million Dollars (\$50,000,000.00);

2. The benefits provided for injured employees under the product at least equal the benefits required by ~~Title 85 of the Oklahoma Statutes~~ this title;

3. Contributions from employees are prohibited as provided in Section 46 of ~~Title 85 of the Oklahoma Statutes~~ this title;

4. The contract contains all provisions required of a standard policy of workers' compensation insurance issued in this state, including a workers' compensation benefits policy and an employer liability policy, neither of which policies may be canceled independently of the other. All coverage parts and policy contracts must comply with ~~Titles Title 36 and 85~~ of the Oklahoma Statutes and this title;

5. The company providing a workers' compensation equivalent insurance product is required to file statistical data with a designated statistical agency pursuant to Section 934 of Title 36 of the Oklahoma Statutes;

6. The product complies with such other standards consistent with this section as may be prescribed by rules promulgated by the Insurance Commissioner in consultation with the State Board for Property and Casualty Rates;

7. The product is a separate policy of insurance from and administered separately from any other insurance offered by the employer and is separate from any employee benefit plan or policy of the employer which employee benefit plan or policy is governed by the provisions of the Employee Retirement Income Security Act, 29 U.S.C., Section 1001 et seq;

8. The employer certifies in writing to the Workers' Compensation Court that the policy is obtained solely to comply with the workers' compensation laws of Oklahoma; and

9. The product is covered by a guaranty fund which provides payment to the claimant in the full amount of a covered claim for benefits under a workers' compensation insurance coverage.

C. It is the intent of the Legislature that any workers' compensation equivalent insurance product which is approved by the Insurance Commissioner and the State Board for Property and Casualty Rates pursuant to this section shall preserve an employer's immunity from civil action in district court resulting from an injury which is compensable under ~~Title 85 of the Oklahoma Statutes~~ this title.

D. On the annual effective date of the approved workers' compensation equivalent insurance product, the insurer shall submit to the State Board for Property and Casualty Rates a current Oklahoma Rate Exhibit (Form A-2) and a current Oklahoma/Countrywide 5-Year Experience and Expense Exhibit.

E. The Insurance Commissioner, in consultation with the State Board for Property and Casualty Rates, shall promulgate such rules as may be necessary to implement the provisions of this section.

SECTION 2. This act shall become effective September 1, 1995.

45-1-5357

PS