

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 2ND CONFERENCE COMMITTEE
4 SUBSTITUTE FOR ENGROSSED
5 HOUSE BILL NO. 1627

By: Cox, Smith (Dale) and
Sullivan (Leonard) of the
House

6 and

7 Fisher of the Senate

8
9 2ND CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to insurance; amending Section 3,
11 Chapter 329, O.S.L. 1992, as amended by Section 3,
12 Chapter 211, O.S.L. 1994 (36 O.S. Supp. 1998, Section
13 6513), which relates to the Small Employer Health
14 Insurance Reform Act; clarifying language; deleting
15 application of act to a certain type of federal plans
16 or programs; providing an effective date; and
17 declaring an emergency.

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

19 SECTION 1. AMENDATORY Section 3, Chapter 329, O.S.L.
20 1992, as amended by Section 3, Chapter 211, O.S.L. 1994 (36 O.S.
21 Supp. 1998, Section 6513), is amended to read as follows:

22 Section 6513. A. The Small Employer Health Insurance Reform
23 Act shall apply to any group health benefit plan that provides
24 coverage to two (2) or more eligible employees of a small employer
25 in this state and to individual health benefits plans providing
26 coverage for the eligible employees of a small employer which may
27 include the employer when three (3) or more of such individual plans
28 are sold to a small employer if any of the following conditions are
29 met:

30 1. Any portion of the premium or benefits is paid by or on
31 behalf of the small employer;
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1 2. An eligible employee or dependent is reimbursed, whether
2 through wage adjustments or otherwise, by or on behalf of the small
3 employer for any portion of the premium; or

4 3. The health benefit plan is treated by the employer or any of
5 the eligible employees or dependents as part of a plan or program
6 for the purposes of Section 162, ~~Section 125~~ or Section 106 of the
7 United States Internal Revenue Code.

8 B. 1. Except as provided in paragraph 2 of this subsection,
9 for the purposes of the Small Employer Health Insurance Reform Act,
10 carriers that are affiliated companies or that are eligible to file
11 a consolidated tax return shall be treated as one carrier and any
12 restrictions or limitations imposed by the Small Employer Health
13 Insurance Reform Act shall apply as if all health benefit plans
14 issued to small employers in this state by such affiliated carriers
15 were issued by one carrier, unless on or before July 1, 1992, the
16 respective affiliate carriers operated with separate books of
17 business as insurers of health benefit plans in which event each
18 such affiliate carrier shall be treated as a separate carrier.

19 2. An affiliated carrier that is a health maintenance
20 organization having a license under Section 2501 et seq. of Title 63
21 of the Oklahoma Statutes may be considered to be a separate carrier
22 for the purposes of the Small Employer Health Insurance Reform Act.

23 C. Unless otherwise authorized by the Insurance Commissioner, a
24 small employer carrier shall not enter into one or more ceding
25 arrangements with respect to health benefit plans delivered or
26 issued for delivery to small employers in this state if such
27 arrangements would result in less than fifty percent (50%) of the
28 insurance obligation or risk for such health benefit plans being
29 retained by the ceding carrier.

30 SECTION 2. This act shall become effective July 1, 1999.

31 SECTION 3. It being immediately necessary for the preservation
32 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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