

1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE SUBSTITUTE
4 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
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to insurance; amending Section 3,
12 Chapter 329, O.S.L. 1992, as amended by Section 3,
13 Chapter 211, O.S.L. 1994 (36 O.S. Supp. 1998, Section
14 6513), which relates to the Small Employer Health
15 Insurance Reform Act; deleting application of act to
16 a certain type of federal plans or programs;
17 prohibiting a small employer from establishing a
18 certain health benefit plan without giving written
19 notice to employees; requiring time period for
20 notice; providing an effective date; and declaring an
21 emergency.

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

23 SECTION 1. AMENDATORY Section 3, Chapter 329, O.S.L.
24 1992, as amended by Section 3, Chapter 211, O.S.L. 1994 (36 O.S.
25 Supp. 1998, Section 6513), is amended to read as follows:

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

1. Any portion of the premium or benefits is paid by or on
behalf of the small employer;

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. A small employer which is paying any portion of the premium
9 for a group or individual health benefit plan for any or all of its
10 employees shall not establish a health benefit plan that is
11 qualified under Section 125 of the United States Internal Revenue
12 Code which reduces or eliminates the amount paid by the employer for
13 premiums for the health benefit plan without giving written notice
14 to the employees of the reduction or elimination of the premium
15 amounts paid by the employer. The written notice shall be given to
16 the employees not less than twelve (12) months prior to the
17 implementation of the health benefit plan.

18 C. 1. Except as provided in paragraph 2 of this subsection,
19 for the purposes of the Small Employer Health Insurance Reform Act,
20 carriers that are affiliated companies or that are eligible to file
21 a consolidated tax return shall be treated as one carrier and any
22 restrictions or limitations imposed by the Small Employer Health
23 Insurance Reform Act shall apply as if all health benefit plans
24 issued to small employers in this state by such affiliated carriers
25 were issued by one carrier, unless on or before July 1, 1992, the
26 respective affiliate carriers operated with separate books of
27 business as insurers of health benefit plans in which event each
28 such affiliate carrier shall be treated as a separate carrier.

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

1 ~~C.~~ D. Unless otherwise authorized by the Insurance
2 Commissioner, a small employer carrier shall not enter into one or
3 more ceding arrangements with respect to health benefit plans
4 delivered or issued for delivery to small employers in this state if
5 such arrangements would result in less than fifty percent (50%) of
6 the insurance obligation or risk for such health benefit plans being
7 retained by the ceding carrier.

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

9 SECTION 3. It being immediately necessary for the preservation
10 of the public peace, health and safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

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