

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR
5 HOUSE BILL NO. 1627

By: Cox

6
7 COMMITTEE SUBSTITUTE

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

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

17 SECTION 1. AMENDATORY Section 3, Chapter 329, O.S.L.
18 1992, as amended by Section 3, Chapter 211, O.S.L. 1994 (36 O.S.
19 Supp. 1998, Section 6513), is amended to read as follows:

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

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

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

32 3. The health benefit plan is treated by the employer or any of
the eligible employees or dependents as part of a plan or program

1 for the purposes of Section 162, ~~Section 125~~ or Section 106 of the
2 United States Internal Revenue Code.

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

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

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

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

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

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31 47-1-6205 KB 6/11/15

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