

ENROLLED SENATE
CONCURRENT
RESOLUTION NO. 64

By: Henry of the Senate

and

Ervin of the House

A Concurrent Resolution stating the intent of the Legislature regarding Senate Bill No. 680 of the 1st Session of the 47th Oklahoma Legislature; stating intent to require specified reduction in premium-to-surplus ratio of the State Insurance Fund on specified date; stating intent to require dividend and specifying form of payment; stating intent to require use of statutory accounting principals; clarifying intent by stating estimates for totals of premiums, surplus, and dividends subject to adjustment for conditions on specified date; and directing distribution.

WHEREAS, Senate Bill No. 680 of the 1st Session of the 47th Oklahoma Legislature requires the State Insurance Fund to declare a dividend to policyholders if, on February 12, 2000, the State Insurance Fund has sufficient surplus as defined by law; and

WHEREAS, Senate Bill No. 680 of the 1st Session of the 47th Oklahoma Legislature established the Joint Committee to Investigate the Financial Condition of the State Insurance Fund and the Special Indemnity Fund; and

WHEREAS, the investigation by the Joint Committee included review of the financial condition of the State Insurance Fund by an independent actuary retained by the Joint Committee as well as reports and information from the State Insurance Fund, its actuary, and its officers, accountants, and employees; and

WHEREAS, Senate Bill No. 680 of the 1st Session of the 47th Oklahoma Legislature contains provisions for the calculation and payment of the dividend which should be clarified by a statement of the Legislature's intent.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE 2ND SESSION OF THE 47TH OKLAHOMA LEGISLATURE, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

THAT the intent of Senate Bill No. 680 of the 1st Session of the 47th Oklahoma Legislature was as follows:

1. To require the State Insurance Fund to reduce the ratio of its premiums to its surplus from approximately 1:3.5 to no more than

1:1.75 and no less than 1:1.5 as of February 12, 2000, with the specific amount determined by the Board of Managers of the State Insurance Fund;

2. To require this reduction to be accomplished by the declaration and payment of a dividend to policyholders with the qualifications for policyholders to receive the dividend to be established by the Board of Managers of the State Insurance Fund;

3. To require this dividend to be paid in cash, or an instrument payable in cash and not in the form of a premium credit or premium reduction, within a reasonable time after February 12, 2000. The Legislature further declares that a reasonable time for making such payments is no later than March 15, 2000; and

4. To require the calculation of this dividend to be based on the financial statements of the State Insurance Fund as expressed according to statutory accounting principals and not as expressed according to generally accepted accounting principals.

THAT, for additional clarification of its intent, the Legislature further declares, based on the investigation of its Joint Committee and based on information provided by the State Insurance Fund, that the estimates of premiums, surplus, and dividends to be used to calculate the ratio, subject to adjustments for the actual conditions existing on February 12, 2000, are as follows:

1. The total of direct written premiums, which is approximately the same as the total of net premiums, for the most recent year, according to the State Insurance Fund, is \$85,240,000.00;

2. The total surplus is \$294,150,000.00; and

3. The total dividend to be paid is not less than \$144,980,000.00 (1:1.75) nor more than \$166,290,000.00 (1:1.5).

THAT a copy of this resolution be distributed to the Commissioner of the State Insurance Fund for distribution to the Board of Managers of the State Insurance Fund.

Adopted by the Senate the 9th day of February, 2000.

President of the Senate

Adopted by the House of Representatives the 10th day of
February, 2000.

Speaker of the House of
Representatives