

EHB 1627

1 THE STATE SENATE
2 Tuesday, March 30, 1999

3 ENGROSSED

4 House Bill No. 1627

5 ENGROSSED HOUSE BILL NO. 1627 - By: COX, SMITH (Dale) and SULLIVAN
6 (Leonard) of the House and FISHER of the Senate.

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

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

15 SECTION 1. AMENDATORY Section 3, Chapter 329, O.S.L.
16 1992, as amended by Section 3, Chapter 211, O.S.L. 1994 (36 O.S.
17 Supp. 1998, Section 6513), is amended to read as follows:

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

25 1. Any portion of the premium or benefits is paid by or on
26 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. 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.

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

13 COMMITTEE REPORT BY: COMMITTEE ON HUMAN RESOURCES, dated 3-25-99 -
14 DO PASS, As Amended.