

ENROLLED SENATE
BILL NO. 650

By: Henry of the Senate

and

Askins of the House

An Act relating to workers' compensation; amending 85 O.S. 2001, Sections 134, 142 and 175, which relate to the authority of the Commissioner, premiums, and the Multiple Injury Trust Fund; expanding records for review by Commissioner; modifying premium adjustment requirements; clarifying language; making language gender neutral; modifying persons required to approve certain expenses; repealing 85 O.S. 2001, Section 2c, which relates to authorization of claims; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 85 O.S. 2001, Section 134, is amended to read as follows:

Section 134. A. In conducting the business and affairs of ~~the State Insurance Fund~~ CompSource Oklahoma, the Commissioner of the said fund, or other officer to whom such power and authority may be delegated by the Commissioner, as provided by Section 133 of this title, shall have full power and authority:

1. To enter into contracts of insurance, insuring employers against liability for compensation, and insuring to employees and other persons entitled thereto compensation as provided by the Workers' Compensation Act, Section 1 et seq. of this title;

2. To decline to insure any risk in which the minimum requirements of the law with regard to construction, equipment and operation are not observed, or which is beyond the safe carrying of ~~the State Insurance Fund~~ CompSource Oklahoma, but shall not have power or authority, except as otherwise provided in this act to refuse to insure any compensation risk tendered with the premium therefor;

3. To enter into contracts of insurance insuring persons, firms and corporations against loss, expense or liability by reason of bodily injury, death by accident, occupational disability, or occupational disease suffered by employees for which the insured may be liable or have assumed liability;

4. To purchase reinsurance for any risk or any portion of any risk of ~~the State Insurance Fund~~ CompSource Oklahoma;

5. To inspect and audit, ~~or~~ cause to be inspected and audited, or require production of the payrolls records of employers insured with or applying for insurance with CompSource Oklahoma against liability for compensation;

6. To contract with physicians, surgeons and hospitals for medical and surgical treatment and the care and nursing of injured persons entitled to benefits from said fund;

7. To meet the reasonable expenses of conducting the business of ~~the State Insurance Fund~~ CompSource Oklahoma;

8. To produce a reasonable surplus to cover catastrophe hazard; and

9. To administer a program in compliance with Section 924.3 of Title 36 of the Oklahoma Statutes, whereby employers may appeal rating classification decisions which are disputed. ~~The State Insurance Fund~~ CompSource Oklahoma shall notify employers of the availability of the program.

B. ~~The State Insurance Fund~~ CompSource Oklahoma must be funded through actuarially sound rates and premiums charged to its policyholders.

C. ~~The State Insurance Fund~~ CompSource Oklahoma shall establish and use rates and rating plans to assure that it is self-funding while those rates are in effect.

D. No later than September 1 of each year, ~~the State Insurance Fund~~ CompSource Oklahoma shall obtain an independent actuarial certification of the results of its operations for prior years.

E. Any premium or assessments collected by ~~the State Insurance Fund~~ CompSource Oklahoma in excess of the amount necessary to fund its projected ultimate incurred losses and expenses and not paid to policyholders insured under ~~the State Insurance Fund~~ CompSource Oklahoma in conjunction with dividend programs shall be retained by ~~the State Insurance Fund~~ CompSource Oklahoma.

F. ~~State Insurance Fund~~ CompSource Oklahoma losses are the sole and exclusive responsibility of ~~the State Insurance Fund~~ CompSource Oklahoma, and payment for such losses must be funded in accordance with this section and must not come, directly or indirectly, from insurers or any guaranty association for such insurers, except for reinsurance purchased by ~~the State Insurance Fund~~ CompSource Oklahoma.

SECTION 2. AMENDATORY 85 O.S. 2001, Section 142, is amended to read as follows:

Section 142. Premiums for any policy period shall be paid into ~~the State Insurance Fund at the beginning of the period~~ CompSource Oklahoma and adjusted according to the ~~estimated expenditure of~~

~~wages for the period. At the end of the period an adjustment of the premium shall be made according to the actual expenditure of wages contract of insurance. If such adjusted premium is more than the premium paid at the beginning of the period, the employer shall pay the difference immediately upon notification of the amount of the true premium paid in advance, due. If such adjusted premium is less than the premium paid at the beginning of the period, the employer shall at his the employer's option receive either refund of the difference or a credit of the amount thereof on his the employer's account with "The State Insurance Fund." CompSource Oklahoma.~~

SECTION 3. AMENDATORY 85 O.S. 2001, Section 175, is amended to read as follows:

Section 175. A. ~~The State Insurance Fund of the State of Oklahoma~~ CompSource Oklahoma shall be charged with the administration and protection of the Multiple Injury Trust Fund and shall be notified by the Administrator of all proceedings which may affect such fund.

B. Any party interested shall have a right to bring a proceeding in the Supreme Court of the State of Oklahoma to review an award of the Court affecting such Multiple Injury Trust Fund, in the same manner as is now provided by law with reference to other awards by the Court.

C. The State Treasurer shall allocate to ~~the State Insurance Fund~~ CompSource Oklahoma out of the Multiple Injury Trust Fund, sufficient funds for administration expenses thereof in amounts to be fixed and approved by the Administrator for the Multiple Injury Trust Fund, unless rejected by the Governor, and Attorney General, ~~and Secretary of the State Board for Property and Casualty Rates.~~

SECTION 4. REPEALER 85 O.S. 2001, Section 2c, is hereby repealed.

SECTION 5. This act shall become effective July 1, 2002.

SECTION 6. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 4th day of March, 2002.

Presiding Officer of the Senate

Passed the House of Representatives the 23rd day of April, 2002.

Presiding Officer of the House
of Representatives