

EHB 2446

1 THE STATE SENATE
2 Thursday, April 8, 2004

3 ENGROSSED

4 House Bill No. 2446

5 As Amended

6 ENGROSSED HOUSE BILL NO. 2446 - By: EASLEY and COX of the House and
7 ROBINSON of the Senate.

8 [insurance - Anti-Fraud Unit - modifying Division -
9 modifying fee - effective date]

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

11 SECTION 1. AMENDATORY 36 O.S. 2001, Section 361, as
12 amended by Section 5, Chapter 307, O.S.L. 2002 (36 O.S. Supp. 2003,
13 Section 361), is amended to read as follows:

14 Section 361. A. There is hereby created within the Insurance
15 Department, under the control and direction of the Insurance
16 Commissioner, an "Anti-Fraud Unit" within the Legal and
17 Investigation Division ~~of the General Counsel~~ of the Insurance
18 Department.

19 B. The Anti-Fraud Unit, upon inquiry, complaint, or referral
20 shall investigate the extent, if any, to which a violation has
21 occurred of any statute or administrative rule of this state
22 pertaining to insurance fraud and may initiate any necessary
23 investigation. Whenever the Unit determines that a violation of any
24 criminal law of this state may have occurred, it shall refer the

1 matter to the Oklahoma State Bureau of Investigation for further
2 investigation pursuant to Section 150.5 of Title 74 of the Oklahoma
3 Statutes or the Attorney General pursuant to Section 18b of Title 74
4 of the Oklahoma Statutes. The Insurance Department shall retain the
5 authority to initiate and prosecute any civil action it deems
6 necessary or advisable.

7 C. Records, documents, reports and evidence obtained or created
8 by the Anti-Fraud Division as a result of an inquiry or
9 investigation of suspected insurance fraud shall be confidential and
10 shall not be subject to the Oklahoma Open Records Act or to outside
11 review or release by any individual, but shall be subject to court
12 order. Information and records shall be disclosed upon request to
13 officers and agents of federal, state, county, or municipal law
14 enforcement agencies, to the Oklahoma State Bureau of Investigation,
15 to the Attorney General's office and to district attorneys, in the
16 furtherance of criminal investigations.

17 SECTION 2. AMENDATORY 36 O.S. 2001, Section 362, as
18 amended by Section 6, Chapter 307, O.S.L. 2002 (36 O.S. Supp. 2003,
19 Section 362), is amended to read as follows:

20 Section 362. A. There is hereby created in the State Treasury
21 a revolving fund for the Insurance Commissioner to be designated the
22 "Insurance Department Anti-Fraud Revolving Fund". The fund shall be
23 a continuing fund, not subject to fiscal year limitations and shall

1 consist of all monies received and collected by the Insurance
2 Department pursuant to subsection B of this section and all other
3 monies designated to the fund by law. All monies accruing to the
4 credit of said fund are hereby appropriated and may be budgeted and
5 expended by the Insurance Commissioner for the purposes of
6 investigation of suspected insurance fraud and civil or
7 administrative action in cases involving suspected insurance fraud.
8 Expenditures from said fund shall be made upon warrants issued by
9 the State Treasurer against claims filed as prescribed by law with
10 the Director of State Finance for approval and payment.

11 B. The following shall pay an annual fee of ~~Six Hundred Dollars~~
12 ~~(\$600.00)~~ Seven Hundred Fifty Dollars (\$750.00) to the Insurance
13 Department which shall be payable quarterly in the amount of ~~One~~
14 ~~Hundred Fifty Dollars (\$150.00)~~ One Hundred Eighty-seven Dollars and
15 fifty cents (\$187.50): Life, accident and health insurers; property
16 and casualty insurers; county mutual fire insurers; mutual benefit
17 associations; fraternal benefit societies; reciprocal insurers;
18 motor service clubs; title insurers; nonprofit insurers; health
19 maintenance organizations (HMOs); service warranty associations;
20 surplus lines carriers; multiple employer welfare arrangements
21 (MEWAs); trusts which write surety policies; prepaid dental plan
22 organizations; and accredited reinsurers. The payments shall be due
23 on or before the last day of the month following each calendar

1 quarter. Within sixty (60) days after each calendar quarter, the
2 Commissioner shall transfer:

3 1. Twenty-five percent (25%) of all monies collected by the
4 Insurance Department pursuant to this section to the Attorney
5 General's Insurance Fraud Unit Revolving Fund created in Section
6 19.3 of Title 74 of the Oklahoma Statutes, for use by the Attorney
7 General in the investigation and prosecution of insurance fraud; and

8 2. Fifteen percent (15%) of all monies collected by the
9 Insurance Department pursuant to this section to the OSBI Revolving
10 Fund created in Section 150.19a of Title 74 of the Oklahoma
11 Statutes, for use by the Oklahoma State Bureau of Investigation in
12 the investigation of insurance fraud.

13 SECTION 3. This act shall become effective July 1, 2004.

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 3-31-04 - DO
15 PASS, As Amended.