

ENGROSSED HOUSE
BILL NO. 3044

By: Hastings of the House

and

Laughlin of the Senate

An Act relating to insurance; amending 36 O.S. 2001, Section 607.1, which relates to entities that are considered insurers; modifying applicability; clarifying certain terms; amending 51 O.S. 2001, Section 167, which relates to The Governmental Tort Claims Act; modifying applicability; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 607.1, is amended to read as follows:

Section 607.1 ~~Notwithstanding any other provision of law, an~~ An entity organized pursuant to the Interlocal Cooperation Act, Section 1001 et seq. of Title 74 of the Oklahoma Statutes, for the purpose of transacting insurance shall be considered an insurer at such time that the entity has within a twelve-month period received aggregate premiums of One Million Dollars (\$1,000,000.00) for all kinds of insurance that the entity transacts. Such an entity shall be eligible to qualify for and hold a certificate of authority to transact insurance in this state.

SECTION 2. AMENDATORY 51 O.S. 2001, Section 167, is amended to read as follows:

Section 167. A. The governing body of any municipality may:

1. Insure the municipality against all or any part of any liability it may incur for death, injury or disability of any person or for damage to property, either real or personal;

2. Insure any employee of the municipality against all or any part of his liability for injury or damage resulting from an act or omission in the scope of employment;

3. Insure against the expense of defending a claim against the municipality or its employee, whether or not liability exists on such claim; or

4. Insure the municipality or its employee against any loss, damage or liability as defined by Sections 702 through 708 of Title 36 of the Oklahoma Statutes, or other forms of insurance provided for in Title 36 of the Oklahoma Statutes.

The cost or premium of any such insurance is a proper expenditure of the municipality.

As used in this subsection, "employee" means any person who has acted in behalf of a municipality, whether that person is acting on a permanent or temporary basis with or without being compensated or on a full-time or part-time basis. Employee also includes all elected or appointed officers, members of governing bodies of a municipality, and persons appointed, and other persons designated by a municipality to act in its behalf.

B. Any insurance authorized by law to be purchased, obtained or provided by a municipality may be provided by:

1. Self-insurance, which may be, but is not required to be, funded by appropriations to establish or maintain reserves for self-insurance purposes. Any self-insurance reserve fund shall be nonfiscal and shall not be considered in computing any levy when the municipality makes its annual estimate for needed appropriations;

2. Insurance in any insurer authorized to transact insurance in this state;

3. Insurance secured in accordance with any other method provided by law; or

4. Any combination of insurance authorized by this section.

C. ~~Two~~ Notwithstanding any other provision of law, two or more municipalities or public agencies who are affiliated in an insurance program which was originated prior to January 1, 2006, by interlocal agreement made pursuant to Sections Section 1001 et seq. of Title 74 of the Oklahoma Statutes, may provide insurance for any purpose by any one or more of the methods specified in this section. The pooling of self-insured reserves, claims or losses among governments as authorized in this act shall not be construed to be transacting insurance nor otherwise subject to the provisions of the laws of this state regulating insurance or insurance companies. Two or more municipalities may also be insured under a master policy or contract of insurance. Premium costs may be set individually for each municipality or apportioned among participating municipalities as provided by the master policy or contract.

SECTION 3. This act shall become effective November 1, 2006.

Passed the House of Representatives the 14th day of March, 2006.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2006.

Presiding Officer of the Senate