

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2909

By: Peterson (Ron)

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 2001, Section 6535; as amended by Section 3, Chapter 439, O.S.L. 2002 (36 O.S. Supp. 2005, Section 6535), which relates to the Health Insurance High Risk Pool Act; modifying the Board of Directors; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 6535, as amended by Section 3, Chapter 439, O.S.L. 2002 (36 O.S. Supp. 2005, Section 6535), is amended to read as follows:

Section 6535. A. There is hereby created a nonprofit legal entity to be known as the "Health Insurance High Risk Pool". All insurers and reinsurers providing health insurance or reinsurance, as a condition of doing business in this state, shall be members of the Pool.

B. 1. The Pool shall operate under the supervision and approval of a nine-member Board of Directors appointed by the Insurance Commissioner. The Board shall consist of:

- a. two representatives of domestic insurance companies licensed to do business in this state,
- b. one representative of a ~~not-for-profit hospital service and medical indemnity plan~~ the foreign insurer as defined by Section 602 of this title projected to pay the highest assessment among foreign insurers in the year of appointment,
- c. one representative of a health maintenance organization,

- d. one member from a health-related profession,
- e. one member from the general public, who is not associated with the medical profession, a hospital, or an insurer,
- f. one member to represent a group considered to be "uninsurable",
- g. one representative of reinsurers, and
- h. one representative from the providers of small group plans licensed to do business in this state.

2. The original Board shall be appointed for the following terms:

- a. three members for a term of one (1) year,
- b. three members for a term of two (2) years, and
- c. three members for a term of three (3) years.

3. All terms after the initial term shall be for three (3) years.

4. The Board shall elect one of its members as chairperson.

5. Members of the Board may be reimbursed from monies of the Pool for actual and necessary expenses incurred by them in the performance of their official duties as members of the Board, but shall not otherwise be compensated for their services.

6. The Board shall adopt a primary plan and one or more alternative plans pursuant to this act and submit the articles, bylaws, and operating rules for each plan adopted to the Insurance Commissioner for approval. The Board shall reimburse the Insurance Commissioner for any direct and actual administrative costs associated with administering the provisions of this act from monies collected by the Board.

7. Notwithstanding Section 6542 of this title, in addition, the Board shall adopt alternative health insurance plans that will provide options for its members including different co-payment structures, coinsurance, and deductible amounts. The Board may also

offer different benefit structures at its discretion. The Board shall issue a request for proposal for the primary plan and one or more alternative plans every two (2) years beginning January 1, 2003.

SECTION 2. This act shall become effective November 1, 2006.

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