

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 794

By: Pruitt

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 2001, Section 902.3, which relates to calculation of workers' compensation premiums; clarifying references; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 902.3, is amended to read as follows:

Section 902.3 A. Workers' compensation premiums shall be calculated on a basis that, as nearly as is practicable, after the effects of experience rating and other applicable rating plans have been considered, the sum of expected losses and expected expenses as a percentage of premium shall be the same for high and low wage-paying employers in the same job classification.

B. The State Board for Property and Casualty Rates and the Board of Managers of ~~the State Insurance Fund~~ CompSource Oklahoma shall:

1. Determine the extent to which high wage-paying employers are paying premiums higher than those which would produce the same ratio of expected losses and expenses to premiums as for employers paying lower wages;

2. Determine whether this effect is primarily seen in certain types of job classifications;

3. Investigate alternatives and modifications to the current method of computing workers' compensation premiums, including wage rate recognition plans used in other states, split classifications, wage rate caps, and hours worked;

4. Conduct a hearing or hearings on this matter, including consideration of other alternatives; and

5. Adopt rules by January 1, 1996, to become effective on July 1, 1996, unless disapproved by the Legislature, to equalize, as nearly as is practicable, expected losses and expenses as a percentage of workers' compensation premiums for high and low wage-paying employers in the same job classification. If the effect is found to be primarily seen in certain types of job classifications, the rules shall be adopted to apply only to such types of job classifications. The adopted rules shall be subject to legislative review and shall be promulgated as permanent rules pursuant to the Administrative Procedures Act. The agency rule report required by the Administrative Procedures Act shall include a rule impact statement together with an actuarial analysis of the proposed rule describing in detail the classes of persons who most likely will be affected by the proposed rules; the classes of persons who will benefit from the adopted rules; and the probable economic impact of the proposed rules upon the affected classes of persons. The actuarial analysis shall be prepared by an independent actuary selected by the State Board of Property and Casualty Rates. The rules shall not be invalidated on the ground that the contents of the rule impact statement or the actuarial analysis are insufficient or inaccurate.

C. The cost of the premium adjustment plan shall be allocated among all employers purchasing workers' compensation insurance from all carriers, including ~~the State Insurance Fund~~ CompSource Oklahoma.

SECTION 2. This act shall become effective November 1, 2005.

50-1-1269

SFK

6/13/2015 8:54:44 AM