

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1959

6 By: Peterson (Ron)

7 COMMITTEE SUBSTITUTE

8 An Act relating to workers' compensation; amending 85
9 O.S. 2001, Section 134, as last amended by Section
10 107, Chapter 3, O.S.L. 2003 (85 O.S. Supp. 2006,
11 Section 134), which relates to CompSource Oklahoma;
12 modifying authority of CompSource Oklahoma; and
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 85 O.S. 2001, Section 134, as last
16 amended by Section 107, Chapter 3, O.S.L. 2003 (85 O.S. Supp. 2006,
17 Section 134), is amended to read as follows:

18 Section 134. A. In conducting the business and affairs of
19 CompSource Oklahoma, the CompSource Oklahoma President and Chief
20 Executive Officer, or other officer to whom such power and authority
21 may be delegated by the CompSource Oklahoma President and Chief
22 Executive Officer, as provided by Section 133 of this title, shall
23 have full power and authority:
24

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

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

11 3. To enter into contracts of insurance insuring persons, firms
12 and corporations against loss, expense or liability by reason of
13 bodily injury, death by accident, occupational disability, or
14 occupational disease suffered by employees for which the insured may
15 be liable or have assumed liability, including, but not limited to,
16 contracts of insurance or reinsurance for the purpose of insuring
17 employers operating in this state and their employees who may work
18 outside this state;

19 4. To purchase reinsurance for any risk or any portion of any
20 risk of CompSource Oklahoma. The purchase of reinsurance may be
21 made through intermediaries, exclusive of the provisions of The
22 Oklahoma Central Purchasing Act;

23 5. To inspect and audit, cause to be inspected and audited, or
24 require production of the records of employers insured with or

1 applying for insurance with CompSource Oklahoma against liability
2 for compensation;

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

6 7. To meet the reasonable expenses of conducting the business
7 of CompSource Oklahoma;

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

10 9. To administer a program in compliance with Section 924.3 of
11 Title 36 of the Oklahoma Statutes, whereby employers may appeal
12 rating classification decisions which are disputed. CompSource
13 Oklahoma shall notify employers of the availability of the program.

14 B. CompSource Oklahoma must be funded through actuarially sound
15 rates and premiums charged to its policyholders.

16 C. CompSource Oklahoma shall establish and use rates and rating
17 plans to assure that it is self-funding while those rates are in
18 effect.

19 D. No later than September 1 of each year, CompSource Oklahoma
20 shall obtain an independent actuarial certification of the results
21 of its operations for prior years.

22 E. Any premium or assessments collected by CompSource Oklahoma
23 in excess of the amount necessary to fund its projected ultimate
24 incurred losses and expenses and not paid to policyholders insured

1 under CompSource Oklahoma in conjunction with dividend programs
2 shall be retained by CompSource Oklahoma.

3 F. CompSource Oklahoma losses are the sole and exclusive
4 responsibility of CompSource Oklahoma, and payment for such losses
5 must be funded in accordance with this section and must not come,
6 directly or indirectly, from insurers or any guaranty association
7 for such insurers, except for reinsurance purchased by CompSource
8 Oklahoma.

9 SECTION 2. This act shall become effective November 1, 2007.

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