

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1996

6 By: Coffee

7 COMMITTEE SUBSTITUTE

8 An Act relating to workers' compensation; stating  
9 purpose of certain partnership; requiring certain  
10 partnership; establishing time limitation for certain  
11 partnership; requiring bifurcation of certain claims;  
12 requiring certain contracts; establishing performance  
13 obligations for certain contracts; specifying  
14 applicability of tax status of certain entity;  
15 providing for noncodification; and providing an  
16 effective date.

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

18 SECTION 1. NEW LAW A new section of law not to be  
19 codified in the Oklahoma Statutes reads as follows:

20 A. The purpose of this act is to create a private enterprise  
21 company to emerge with adequate capital, reserves, investment and  
22 pricing methodologies to assure an ongoing market for workers'  
23 compensation with a customer centric service philosophy.

24 B. Notwithstanding any other provision of law, CompSource  
Oklahoma shall enter into a public-private partnership with a  
private enterprise company for the transitioning of CompSource

1 Oklahoma into a privately owned company. Such transition shall be  
2 completed no later than five years from the effective date of this  
3 act.

4 C. CompSource shall bifurcate the claims and associated  
5 reserves existing on or prior to the effective date of this act from  
6 the business and associated claims occurring after the effective  
7 date of this act.

8 D. A private enterprise company shall manage the bifurcated  
9 businesses utilizing free enterprise principles and pursuant to two  
10 separate but related service contracts to include, but not be  
11 limited to, performance obligations as follows:

12 1. INFORCE RUNOFF CONTRACT

- 13 a. Manage claims in existence on or before the effective  
14 date of this act for purposes of expediting the  
15 processing of claims, reducing litigation cost and  
16 advancing rehabilitation for and reemployment of  
17 injured workers;
- 18 b. Implement technology solutions to improve efficiency;
- 19 c. Manage reserve runoff for purposes of capturing  
20 potential redundancies while assuring a stable pricing  
21 environment in a financially secure company; and
- 22 d. Systematically pay dividends to existing customers  
23 using financially prudent methodologies for the  
24 financial stability of the combined company.

1           2.   NEW BUSINESS CONTRACT

2           a.   Manage claims filed after the effective date of this  
3           act;

4           b.   Maintain price stability;

5           c.   Guarantee an assured market for purchase of workers'  
6           compensation insurance;

7           d.   Assess competitive companies for the adverse  
8           experience of the pool business in the event  
9           separation of pool business from competitive business  
10          is required by the laws of this state; and

11          e.   Distribute excess surplus using financially prudent  
12          methodologies for the financial stability of the  
13          combined company.

14          E.   Notwithstanding subsection D of this section, CompSource  
15   Oklahoma shall retain the same tax status that exists on the  
16   effective date of this act.

17          SECTION 2.   This act shall become effective November 1, 2010.

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19          52-2-3698           MRB           2/15/2010 5:25:38 PM  
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