

1 ENGROSSED HOUSE
2 BILL NO. 1038

By: Cox, McDaniel (Jeannie),
Walker, Tibbs, Peterson,
Wright (John), and Nelson
of the House

4 and

5 Crain of the Senate

6
7
8 (insurance - accident and health insurance policies -
9 disclosure statement - codification -
10 effective date)

11

12

13

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

14

SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 4413 of Title 36, unless there
16 is created a duplication in numbering, reads as follows:

17

The Legislature recognizes the need for individuals under forty
18 (40) years of age in this state to have the opportunity to choose
19 health insurance plans that are more affordable and flexible than
20 existing market policies offering accident and health insurance
21 coverage. The Legislature, therefore, seeks to increase the
22 availability of health insurance coverage by allowing insurers
23 authorized to engage in the business of insurance in this state to
24 issue accident and health insurance policies to individuals under

1 forty (40) years of age that do not offer or provide state-mandated
2 health benefits.

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 4414 of Title 36, unless there
5 is created a duplication in numbering, reads as follows:

6 As used in this act:

7 1. "Health carrier" means any entity or insurer authorized
8 under Title 36 of the Oklahoma Statutes to provide accident or
9 health insurance or health benefits in this state and any entity or
10 person engaged in the business of making contracts of accident or
11 health insurance;

12 2. "Standard health benefit plan" means an accident or health
13 insurance policy that does not offer or provide state-mandated
14 health benefits, but that provides creditable coverage, and is
15 issued to an individual under forty (40) years of age; and

16 3. "State-mandated health benefits" means coverage for health
17 care services or benefits, required by state law or state
18 regulations, requiring the reimbursement or utilization related to a
19 specific illness, injury, or condition of the covered person, or
20 inclusion of a specific category of licensed health care
21 practitioner to be provided to the covered person in a health
22 benefit plan for a health-related condition of a covered person.

23 Provided, that for the purposes of the options provided by this act,
24 state-mandated health benefits which may be excluded in whole or in

1 part shall not include any health care services or benefits which
2 are mandated by federal law. "State-mandated health benefits" does
3 not mean standard provisions or rights required to be present in a
4 health benefit plan pursuant to state law or state regulations
5 unrelated to a specific illness, injury or condition of the insured
6 including, but not limited to, those related to continuation of
7 benefits found in Sections 4401 through 4411 and 4501 through 4513
8 of Title 36 of the Oklahoma Statutes.

9 SECTION 3. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 4415 of Title 36, unless there
11 is created a duplication in numbering, reads as follows:

12 A. A health carrier may offer one or more standard health
13 benefit plans to individuals under forty (40) years of age.

14 B. Each written application by an individual under forty (40)
15 years of age for participation in a standard health benefit plan
16 shall contain the following language at the beginning of the
17 document in bold type:

18 "You have the option to choose this Consumer Choice of Benefits
19 Health Insurance Plan that does not provide state-mandated health
20 benefits normally required in accident and health insurance policies
21 in the State of Oklahoma. This standard health benefit plan may
22 provide a more affordable health insurance policy for you although,
23 at the same time, it may provide you with fewer health benefits than
24

1 those normally included as state-mandated health benefits in
2 policies in the State of Oklahoma.”

3 C. Each standard health benefit plan issued to an individual
4 under forty (40) years of age shall contain the following language
5 at the beginning of the document in bold type:

6 “This Consumer Choice of Benefits Health Insurance Plan does not
7 provide state-mandated health benefits normally required in accident
8 and health insurance policies in the State of Oklahoma. This
9 standard health benefit plan may provide a more affordable health
10 insurance policy for you although, at the same time, it may provide
11 you with fewer health benefits than those normally included as
12 state-mandated health benefits in policies in the State of
13 Oklahoma.”

14 SECTION 4. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 4416 of Title 36, unless there
16 is created a duplication in numbering, reads as follows:

17 A. An insurer providing a standard health benefit plan shall
18 provide a proposed policyholder or policyholder with a written
19 disclosure statement that:

20 1. Acknowledges that the standard health benefit plan being
21 purchased does not provide state-mandated health benefits;

22 2. Lists those state-mandated health benefits not included
23 under the standard health benefit plan; and
24

1 3. Provides a notice that purchase of the plan may limit the
2 future coverage options of the policyholder in the event the health
3 of the policyholder changes and needed benefits are not available
4 under the standard health benefit plan.

5 B. Each applicant for initial coverage and each policyholder on
6 renewal of coverage shall sign the disclosure statement provided by
7 the insurer under subsection A of this section and return the
8 statement to the insurer.

9 C. An insurer shall:

10 1. Retain the signed disclosure statement in the records of the
11 insurer; and

12 2. On request of the Insurance Commissioner, provide the signed
13 disclosure statement to the Oklahoma Insurance Department.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 4417 of Title 36, unless there
16 is created a duplication in numbering, reads as follows:

17 The Insurance Commissioner shall adopt rules as necessary to
18 implement the provisions of this act.

19 SECTION 6. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 4418 of Title 36, unless there
21 is created a duplication in numbering, reads as follows:

22 A. An insurer that offers one or more standard health benefit
23 plans as provided for in this act shall also offer at least one
24 accident or health insurance policy with state-mandated health

1 benefits that is otherwise authorized by Title 36 of the Oklahoma
2 Statutes.

3 B. A health carrier shall file for informational purposes with
4 the Oklahoma Insurance Department the rates to be used with a
5 standard health benefit plan. Nothing in this subsection shall be
6 construed as granting the Insurance Commissioner any power or
7 authority to determine, fix, prescribe, or promulgate the rates to
8 be charged for any individual accident and health insurance policy
9 or policies as provided for in this act.

10 SECTION 7. This act shall become effective November 1, 2009.

11 Passed the House of Representatives the 12th day of March, 2009.

12

13

14

Presiding Officer of the House of
Representatives

15

16 Passed the Senate the ____ day of _____, 2009.

17

18

19

Presiding Officer of the Senate

20

21

22

23

24