

ENROLLED HOUSE
BILL NO. 1963

By: Bengé and Sullivan of the
House

and

Aldridge of the Senate

An Act relating to workers' compensation; creating Task Force on Privatization of CompSource Oklahoma; stating purpose of task force; providing for membership; providing for service of members and vacancy; providing for date of appointment; providing for quorum; requiring designation of cochairs by certain persons; providing for convening of certain meeting and scheduling of subsequent meetings; providing for staff; requiring CompSource Oklahoma to provide certain information; prohibiting compensation; authorizing travel reimbursement; stating duties and responsibilities of task force; providing for a plan for privatization; providing requirements; requiring certain publication; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 131c of Title 85, unless there is created a duplication in numbering, reads as follows:

A. In order to create a stable, predictable, competitive workers' compensation market place in the State of Oklahoma for the benefit of Oklahoma employers and employees, it is the intent of the Legislature that CompSource Oklahoma be converted into a private insurance company no later than December 31, 2010.

B. In order to accomplish the conversion of CompSource Oklahoma to a private insurance company, there is hereby created until December 31, 2011, the Task Force on Privatization of CompSource Oklahoma. The task force will examine the issues as they relate to privatizing CompSource Oklahoma. The resulting private entity shall operate in the same manner as any domestic insurer in the state and shall be subject to the same laws, taxes, guaranty fund assessments and other regulatory requirements.

C. The task force shall consist of nine (9) members as follows:

1. The Insurance Commissioner;

2. Four members appointed by the President Pro Tempore of the Senate as follows:

a. one actuary expert,

b. one member who represents CompSource Oklahoma,

c. one member of the Senate, and

d. one member from a statewide organization that is an advocacy association for business and industry; and

3. Four members appointed by the Speaker of the House of Representatives as follows:

a. one member who represents the private insurance industry and is among the top ten writers of workers' compensation premiums in this state,

b. one member of the House of Representatives,

c. one member of the Board of Directors of the Oklahoma Property and Casualty Insurance Guaranty Association, and

d. one member from an independent insurance agents association.

D. 1. Members shall serve at the pleasure of their appointing authorities. A vacancy on the task force shall be filled by the original appointing authority.

2. Appointments to the task force shall be made by July 1, 2009.

3. A majority of the members of the task force shall constitute a quorum. A majority of the members present at a meeting may act for the task force.

4. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair from among the members of the task force.

5. The cochairs of the task force shall convene the first meeting of the task force on or before July 15, 2009, at which time a schedule of the meetings shall be determined.

E. The task force may use the services of the staffs of the Senate and the House of Representatives and may, as necessary, seek the advice and services of experts in the field of insurance.

F. CompSource Oklahoma shall cooperate with the task force in fulfilling its duties and responsibilities including, but not limited to, providing any information, records or reports requested by the task force.

G. Members of the task force shall receive no compensation for their service, but shall receive travel reimbursement as follows:

1. Legislative members of the task force shall be reimbursed for necessary travel expenses incurred in the performance of their duties in accordance with the provisions of Section 456 of Title 74 of the Oklahoma Statutes; and

2. Nonlegislative members of the task force shall be reimbursed by their appointing authorities or respective agencies for necessary travel expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

H. Consistent with the intent of the Legislature that CompSource Oklahoma be privatized no later than December 31, 2010, the task force shall identify the steps necessary and develop a plan to convert CompSource Oklahoma into a private insurance company. Such plan shall include, but not be limited to, the following areas:

1. Establishment of a residual market mechanism that will protect the interests of all Oklahoma employers and employees,

including a plan for rate stabilization to ensure the guaranteed availability of workers' compensation insurance;

2. Review of the current financial condition of CompSource Oklahoma;

3. Loss portfolio transfer;

4. Request for proposal process;

5. Consideration of the impact of privatization and the most appropriate way to accommodate current CompSource Oklahoma employees;

6. Studying current statutes regarding the responsibilities of CompSource Oklahoma;

7. Identification of all necessary statutory changes including, but not limited to, securing funding for volunteer firefighters workers' compensation premiums; and

8. Any other issues identified by the task force as necessary to accomplish the privatization of CompSource Oklahoma.

I. The task force shall publish and submit to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Governor its findings and recommendations by December 1, 2009, including recommendations for any resulting legislation.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 13th day of May, 2009.

Presiding Officer of the House of
Representatives

Passed the Senate the 18th day of May, 2009.

Presiding Officer of the Senate