

ESB 1996

THE HOUSE OF REPRESENTATIVES
Thursday, April 8, 2010

ENGROSSED
Senate Bill No. 1996
As Amended

ENGROSSED SENATE BILL NO. 1996 - By: COFFEE of the Senate and BERGE of the House.

[workers' compensation - requiring certain partnership - noncodification -
effective date]

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

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

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

6 B. Notwithstanding any other provision of law, CompSource Oklahoma shall enter
7 into a public-private partnership with a private enterprise company for the transitioning
8 of CompSource Oklahoma into a privately owned company. Such transition shall be
9 completed no later than five (5) years from the effective date of this act.

1 C. CompSource shall bifurcate the claims and associated reserves existing on or
2 prior to the effective date of this act from the business and associated claims occurring
3 after the effective date of this act.

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

7 1. INFORCE RUNOFF CONTRACT

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

19 2. NEW BUSINESS CONTRACT

- 20 a. Manage claims filed after the effective date of this act;
- 21 b. Maintain price stability;

- 1 c. Guarantee an assured market for purchase of workers' compensation
- 2 insurance;
- 3 d. Assess competitive companies for the adverse experience of the pool
- 4 business in the event separation of pool business from competitive
- 5 business is required by the laws of this state; and
- 6 e. Distribute excess surplus using financially prudent methodologies for
- 7 the financial stability of the combined company.

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

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

11 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND
12 FINANCIAL SERVICES, dated 04-07-10 - DO PASS, As Amended.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.