

CS for SB 1996

1 THE STATE SENATE  
2 Monday, February 22, 2010

3 Committee Substitute for  
4 Senate Bill No. 1996

5 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1996 - By: Coffee of the  
6 Senate and Benge of the House.

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

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

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

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

16 B. Notwithstanding any other provision of law, CompSource  
17 Oklahoma shall enter into a public-private partnership with a  
18 private enterprise company for the transitioning of CompSource  
19 Oklahoma into a privately owned company. Such transition shall be  
20 completed no later than five years from the effective date of this  
21 act.

22 C. CompSource shall bifurcate the claims and associated  
23 reserves existing on or prior to the effective date of this act from  
24 the business and associated claims occurring after the effective  
25 date of this act.

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

5 1. INFORCE RUNOFF CONTRACT

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

18 2. NEW BUSINESS CONTRACT

- 19 a. Manage claims filed after the effective date of this  
20 act;
- 21 b. Maintain price stability;
- 22 c. Guarantee an assured market for purchase of workers'  
23 compensation insurance;

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

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

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

12   COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 2-16-10 - DO  
13   PASS, As Amended and Coauthored.