

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1038

By: Cox

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5  
6 AS INTRODUCED

7 An Act relating to insurance; authorizing certain  
8 insurers to issue certain accident and health  
9 insurance policies to certain individuals; stating  
10 purpose; defining terms; providing for written  
11 application for participation in plan; requiring  
12 certain language for written application and for  
13 plans issued to certain individuals; providing for  
14 written disclosure statement; stating requirements of  
15 disclosure statement; requiring signature on  
16 disclosure statement; stating requirements of insurer  
17 with regard to disclosure statement; requiring  
18 Insurance Commissioner to adopt and promulgate  
19 certain rules; requiring certain insurers to offer  
20 certain additional policy; requiring certain insurers  
21 to file rate information with the Oklahoma Insurance  
22 Department; providing for codification; and providing  
23 an effective date.

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

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

22 The Legislature recognizes the need for individuals under forty  
23 (40) years of age in this state to have the opportunity to choose  
24 health insurance plans that are more affordable and flexible than

1 existing market policies offering accident and health insurance  
2 coverage. The Legislature, therefore, seeks to increase the  
3 availability of health insurance coverage by allowing insurers  
4 authorized to engage in the business of insurance in this state to  
5 issue accident and health insurance policies to individuals under  
6 forty (40) years of age that do not offer or provide state-mandated  
7 health benefits.

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

11 As used in this act:

12 1. "Health carrier" means any entity or insurer authorized  
13 under Title 36 of the Oklahoma Statutes to provide accident or  
14 health insurance or health benefits in this state and any entity or  
15 person engaged in the business of making contracts of accident or  
16 health insurance;

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

21 3. "State-mandated health benefits" means coverage for health  
22 care services or benefits, required by state law or state  
23 regulations, requiring the reimbursement or utilization related to a  
24 specific illness, injury, or condition of the covered person, or

1 inclusion of a specific category of licensed health care  
2 practitioner to be provided to the covered person in a health  
3 benefit plan for a health-related condition of a covered person.  
4 Provided, that for the purposes of the options provided by this act,  
5 state-mandated health benefits which may be excluded in whole or in  
6 part shall not include any health care services or benefits which  
7 are mandated by federal law. "State-mandated health benefits" does  
8 not mean standard provisions or rights required to be present in a  
9 health benefit plan pursuant to state law or state regulations  
10 unrelated to a specific illness, injury or condition of the insured  
11 including, but not limited to, those related to continuation of  
12 benefits found in Sections 4401 through 4411 and 4501 through 4513  
13 of Title 36 of the Oklahoma Statutes.

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

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

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

23 "You have the option to choose this Consumer Choice of Benefits  
24 Health Insurance Plan that does not provide state-mandated health

1 benefits normally required in accident and health insurance policies  
2 in the State of Oklahoma. This standard health benefit plan may  
3 provide a more affordable health insurance policy for you although,  
4 at the same time, it may provide you with fewer health benefits than  
5 those normally included as state-mandated health benefits in  
6 policies in the State of Oklahoma."

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

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

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

21 A. An insurer providing a standard health benefit plan shall  
22 provide a proposed policyholder or policyholder with a written  
23 disclosure statement that:

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

3           2. Lists those state-mandated health benefits not included  
4 under the standard health benefit plan; and

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

9           B. Each applicant for initial coverage and each policyholder on  
10 renewal of coverage shall sign the disclosure statement provided by  
11 the insurer under subsection A of this section and return the  
12 statement to the insurer.

13           C. An insurer shall:

14           1. Retain the signed disclosure statement in the records of the  
15 insurer; and

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

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

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

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

4 A. An insurer that offers one or more standard health benefit  
5 plans as provided for in this act shall also offer at least one  
6 accident or health insurance policy with state-mandated health  
7 benefits that is otherwise authorized by Title 36 of the Oklahoma  
8 Statutes.

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

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

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18 52-1-5515 MMP 12/11/08

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