

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 1996

By: Coffee

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5
6 AS INTRODUCED

7 An Act relating to workers' compensation; amending
8 Section 1, Chapter 263, O.S.L. 2009 (85 O.S. Supp.
9 2009, Section 131c), which relates to CompSource
Oklahoma; clarifying language; and providing an
effective date.

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

13 SECTION 1. AMENDATORY Section 1, Chapter 263, O.S.L.
14 2009 (85 O.S. Supp. 2009, Section 131c), is amended to read as
15 follows:

16 Section 131c. A. In order to create a stable, predictable,
17 competitive workers' compensation market place in ~~the State of~~
18 ~~Oklahoma~~ this state for the benefit of Oklahoma employers and
19 employees, it is the intent of the Legislature that CompSource
20 Oklahoma be converted into a private insurance company no later than
21 December 31, 2010.

22 B. In order to accomplish the conversion of CompSource Oklahoma
23 to a private insurance company, there is hereby created until
24 December 31, 2011, the Task Force on Privatization of CompSource

1 Oklahoma. The task force will examine the issues as they relate to
2 privatizing CompSource Oklahoma. The resulting private entity shall
3 operate in the same manner as any domestic insurer in the state and
4 shall be subject to the same laws, taxes, guaranty fund assessments
5 and other regulatory requirements.

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

7 1. The Insurance Commissioner;

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

10 a. one actuary expert,

11 b. one member who represents CompSource Oklahoma,

12 c. one member of the Senate, and

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

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

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

20 b. one member of the House of Representatives,

21 c. one member of the Board of Directors of the Oklahoma
22 Property and Casualty Insurance Guaranty Association,
23 and
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1 d. one member from an independent insurance agents
2 association.

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

6 2. Appointments to the task force shall be made by July 1,
7 2009.

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

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

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

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

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

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

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

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

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

16 1. Establishment of a residual market mechanism that will
17 protect the interests of all Oklahoma employers and employees,
18 including a plan for rate stabilization to ensure the guaranteed
19 availability of workers' compensation insurance;

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

22 3. Loss portfolio transfer;

23 4. Request for proposal process;

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

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

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

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

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

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

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