

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 2046
Version:	Engrossed
Author:	Rep. Ritze/Sen. Brown
Date:	4/6/2010
Impact:	Impact dependent upon whether or not across state premiums are subject to premium tax

Bill Summary

Research Analyst: Arnella Karges

Engrossed SB2046 creates the “Health Care Choice Act,” to increase the availability of health insurance coverage by allowing insurers authorized to offer insurance in other states to issue accident and health policies in Oklahoma.

The Insurance Commissioner is required to promulgate rules to implement the act. Foreign health insurers may offer health benefits plans to Oklahomans if it offers the same plan in its state and obtains a certificate of authority from the Insurance Commissioner to do business in Oklahoma. Foreign insurers may be disqualified from offering health insurance in Oklahoma due to a hazardous financial condition or other prescribed circumstances. A certificate of authority to offer health insurance in Oklahoma will be valid for three years. The Commissioner is required to promulgate rules for renewing certificates of authority, issuing applications and establishing fees.

The Commissioner is authorized to deny, revoke or suspend a certificate of authority issued to a foreign health insurer. Health plan companies are required to comply with Oklahoma law, providing for exclusion for coverage of certain benefits. The measure authorizes the Commissioner to enter into compacts with other states to implement the Health Care Choice Act. The multistate agreement shall state that Oklahoma has sole jurisdiction and responsibility to mediate disputes according to the requirements of the Oklahoma Insurance Code.

The measure amends current law by reducing the time limit for claims of loss incurred or disability to one year, rather than the current 2-year window. The measure also specifies an insurer can only consider a pre-existing condition within the past 12 months of an individual’s medical history. The measure prohibits voidance of a health insurance policy for a pre-existing condition, after one year from the date of issuance of the policy.

The Title has been stricken on Engrossed SB2046.

The Economic Development and Financial Services Committee struck the Enacting Clause on Engrossed SB2046.

Fiscal Summary

Fiscal Analyst: Mark Nichols

The engrossed version of SB 2046 creates the Health Care Choice Act. The purpose of the measure is to increase the availability of coverage by allowing insurers doing business in other states to issue accident and health policies in Oklahoma. Rules, procedures and forms allowing such foreign insurer to do business in this state shall be prescribed by the Insurance Commissioner. The Commissioner is authorized to enter into compact with other states to carry out the provisions of the measure. Finally, the measure defines pre-existing condition and sets a limit of the past 12 months to identify such a condition.

Fiscal Analysis

Officials at the Insurance Department state that if the across state premiums would be subject to the premium tax, there would only be a small staffing impact, but if the across state premiums were not subject to the premium tax, there would be a negative impact to premium tax collections plus a staffing impact.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director