

BILL SUMMARY
2nd Session of the 52nd Legislature

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| Bill No.: | SB 2054 |
| Version: | FA1 |
| Author: | Sullivan |
| Date: | 4/12/2010 |
| Impact: | \$0 state cost |

Bill Summary

Research Analyst: Arnella Karges

Floor Amendment #1 (FA1) to SB2054 restores the Title on the measure, which modifies a number of provisions in the insurance code (Title 36), including the following:

- Authorizes the Insurance Commissioner to require documents to be filed electronically with the Department;
- Modifies the deadline for compliance with the Oklahoma Annual Financial Report Act for previously exempted insurers from the year ending December 31, 2011 to the year ending December 31, 2010, to correct a clerical error;
- Modifies and clarifies statutory references to unauthorized insurers, who are authorized to sell surplus lines insurance, as surplus line insurers;
- Extends the amount of time agents, adjusters, administrators and insurers have to respond to inquiries from the Commissioner from 20 days to 30 days;
- Allows nonresident life or accident and health insurance brokers to be licensed in Oklahoma if they are licensed and in good standing in their home state, and if the home state has a reciprocal agreement with Oklahoma;
- Updates definitions and requirements in the Genetic Nondiscrimination in Insurance Act to conform with federal changes;
- Requires all health benefit plans to cover mammography screenings, removing the current \$115 cap on such coverage;
- Simplifies language requiring all health benefit plans to cover diabetes treatment and supplies;
- Standardizes the definition of “health benefit plan” as used in mandatory insurance coverage provisions;
- Amends the definition of “health benefit plan” to not include limited benefit plans, such as dental or vision care, hospital confinement indemnity policy, or disability income insurance;
- Specifies that treatment benefits for mental health or substance use disorders cannot be more restrictive than those applied to substantially all medical and surgical benefits under the plan to conform to federal changes for mental health parity;
- Requires the board created under the Oklahoma Small Employer Health Reinsurance Program to develop a plan to conclude the Program and requires the plan to be approved by the Commissioner;
- Modifies reference to license renewal fee for service warranty associations, currently \$400 (updating fee amount for consistency);
- Applies the Medical Professional Liability Insurance Closed Claims Reports Act to all medical professional liability claims in Oklahoma, regardless of how claims are covered and decreases the required reporting of closed claims from quarterly to annually;

- Authorizes Professional Employer Organizations (PEO) to use a qualified assurance organization approved by the Commissioner to provide registration of the PEO or PEO Group;
- Creates an initial registration fee for PEO Groups of \$500 per member and a renewal fee of \$250 per member;
- Creates a \$25 duplicate pocket license fee for bail bondsmen;
- Expands circumstances the Commissioner may refuse to renew a bondsman license to include failure to file outstanding monthly bail reports, pay outstanding fines, pay monthly reviewal fees, or respond to a Commissioner order;
- Increases the civil penalties for violations of bail bondsman provisions from a minimum fine of \$100 to \$250 and from a maximum fine of \$1,000 to \$2,500;
- Requires orders for violations of the Bail Bondsmen Chapter, of Title 59 to be enforced by the judges of Oklahoma County;
- Requires bondsmen accepting mortgages as collateral to file a copy of the mortgage with the bond within 30 days or receipt of the mortgage, the Commissioner may extend or waive the new requirement;
- Repeals statute requiring copies of volunteer fire department ordinances to be filed with the Commissioner; and
- Repeals sections of law regarding the Oklahoma Small Employer Health Reinsurance Program.

Fiscal Summary

Fiscal Analyst: Mark Nichols

Floor amendment 1 for SB 2054 allows the Insurance Department to require entities that are required to file or submit documents to submit such documents electronically. The measure further modifies or repeals sections of law dealing with the Insurance Department and the Insurance Commissioner.

Fiscal Analysis

Officials at the Insurance Department state that the measure is a substantive language-oriented bill but has no fiscal impact on the Department or the state. Officials at the Department further state the floor amendment fixes some duplicative sections, but does not change the impact.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director