

1 **SENATE FLOOR VERSION**

2 April 9, 2012

3 As Amended

4 ENGROSSED HOUSE

5 BILL NO. 2751

6 By: Kirby of the House

7 and

8 Brown of the Senate

9 [insurance - amending 36 O.S., Section 307.3 - State
10 Insurance Commissioner Revolving Fund - amending 36
11 O.S., Section 307.5 - Insurance Department Anti-Fraud
12 Revolving Fund - amending 36 O.S., Section 362 -
13 fees]

14 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

15 SECTION 1. AMENDATORY 36 O.S. 2011, Section 307.3, is
16 amended to read as follows:

17 Section 307.3 A. Effective July 1, 2009, there is hereby
18 created in the State Treasury a revolving fund for the Insurance
19 Commissioner called the State Insurance Commissioner Revolving Fund.
20 The revolving fund shall be used to fund the operations of the
21 Office of the Insurance Commissioner.

22 1. Notwithstanding any other law to the contrary, the revolving
23 fund shall consist of and consolidate all funds that are or have
24 been paid or collected by the Insurance Commissioner pursuant to the

1 laws of this state and the rules of the Insurance Department except
2 that the revolving fund shall not include:

- 3 a. premium taxes,
- 4 b. fees paid to the Insurance Department Anti-Fraud
5 Revolving Fund for the purposes of investigation of
6 suspected insurance fraud and monies transferred to
7 the Attorney General's Insurance Fraud Unit Revolving
8 Fund pursuant to Section 362 of this title,
- 9 c. funds paid to and collected pursuant to the Oklahoma
10 Certified Real Estate Appraisers Act, Sections 858-700
11 through 858-732 of Title 59 of the Oklahoma Statutes,
- 12 d. health carrier access payments paid to and collected
13 by the Insurance Commissioner and deposited into the
14 Health Carrier Access Payment Revolving Fund, and
- 15 e. recoveries obtained as a result of insurance-related
16 crimes, and other fines, late fees, and penalties
17 assessed and collected.

18 2. The revolving fund shall be a continuing fund, not subject
19 to fiscal year limitations. Expenditures from the revolving fund
20 shall be made pursuant to the laws of this state and the statutes
21 relating to the Insurance Department. Warrants for expenditures
22 from the revolving fund shall be drawn by the State Treasurer, based
23 on claims signed by an authorized employee or employees of the
24

1 Insurance Department and filed with the Director of the Office of
2 State Finance.

3 B. All funds collected by the Insurance Commissioner shall be
4 paid into the State Treasury weekly.

5 C. After the effective date of this act, the State Treasury is
6 authorized and directed to deduct from the funds paid or collected
7 by the State Insurance Commissioner Revolving Fund a sum equal to
8 seventy-six and one-half percent (76.5%) of the payment and place
9 the same to the credit of the General Revenue Fund of the state.
10 The State Treasurer shall place to the credit of the State Insurance
11 Commissioner Revolving Fund the remainder of the funds so paid and
12 collected by the Insurance Commissioner.

13 SECTION 2. AMENDATORY 36 O.S. 2011, Section 307.5, is
14 amended to read as follows:

15 Section 307.5 A. There is hereby created in the State Treasury
16 a revolving fund for the Oklahoma Insurance Department, to be
17 designated the "Insurance Department Anti-Fraud Revolving Fund".
18 The fund shall be a continuing fund, not subject to fiscal year
19 limitation, and shall consist of any monies designated to the fund
20 as provided in subsections B and C of this section. Warrants for
21 expenditures from the revolving fund shall be drawn by the State
22 Treasurer, based on claims signed by an authorized employee or
23 employees of the Insurance Department and filed with the Director of
24 the Office of State Finance. The fund shall be used for the purpose

1 of administering investigations of abuse, negligence or criminal
2 conduct regarding insurance laws or regulations.

3 B. The Department shall deposit all of the monies obtained as a
4 result of insurance-related crimes, and other fines, late fees, and
5 penalties assessed and collected into the Insurance Department Anti-
6 Fraud Revolving Fund.

7 C. ~~Each~~ Except as provided in subsection D of this section,
8 each year, the Department shall transfer to the General Revenue Fund
9 the first Four Hundred Eighty-two Thousand Five Hundred Dollars
10 (\$482,500.00) collected by the Department and deposited in the
11 Insurance Department Anti-Fraud Revolving Fund. The next Five
12 Hundred Thousand Dollars (\$500,000.00) collected by the Department
13 each year shall be divided evenly between the Department and the
14 Oklahoma Attorney General. All collections to be submitted to the
15 Attorney General shall be deposited in the Attorney General's
16 Insurance Fraud Unit Revolving Fund. Any collections above Nine
17 Hundred Eighty-two Thousand Five Hundred Dollars (\$982,500.00) shall
18 be deposited each year into the Insurance Department Anti-Fraud
19 Revolving Fund and shall be retained for use by the Department for
20 the purposes of administering investigations of abuse, negligence or
21 criminal conduct regarding insurance laws or regulations.

22 D. Fees collected pursuant to Section 362 of this title that
23 are not subject to transfer to the Attorney General's Insurance
24 Fraud Unit Revolving Fund shall be deposited into the Insurance

1 Department Anti-Fraud Revolving Fund. These monies are not subject
2 to the calculations or transfers referenced in subsection C of this
3 section.

4 SECTION 3. AMENDATORY 36 O.S. 2011, Section 362, is
5 amended to read as follows:

6 Section 362. An annual fee of ~~Seven Hundred Fifty Dollars~~
7 ~~(\$750.00)~~ Five Hundred Dollars (\$500.00) shall be paid to the
8 "Insurance Commissioner Department Anti-Fraud Revolving Fund" to be
9 expended by the Insurance Commissioner for the purposes of
10 investigation of suspected insurance fraud and civil or
11 administrative action in cases involving suspected insurance fraud.
12 The following shall pay an annual fee of ~~Seven Hundred Fifty Dollars~~
13 ~~(\$750.00)~~ Five Hundred Dollars (\$500.00) to the Insurance Department
14 ~~which shall be payable quarterly in the amount of One Hundred~~
15 ~~Eighty seven Dollars and fifty cents (\$187.50):~~ Life, accident and
16 health insurers; property and casualty insurers; county mutual fire
17 insurers; mutual benefit associations; fraternal benefit societies;
18 reciprocal insurers; motor service clubs; title insurers; nonprofit
19 insurers; health maintenance organizations (HMOs); service warranty
20 associations; surplus lines carriers; multiple employer welfare
21 arrangements (MEWAs); trusts which write surety policies; prepaid
22 dental plan organizations; and accredited reinsurers. The payments
23 shall be due on or before the last day of the month following each
24 calendar quarter. Beginning in the calendar year 2010, payment of

1 the annual fee shall be made as one payment of ~~Seven Hundred Fifty~~
2 ~~Dollars (\$750.00)~~ Five Hundred Dollars (\$500.00) which shall be paid
3 on or before July 1. Within sixty (60) days after each calendar
4 quarter in which monies are collected, the Commissioner shall
5 transfer twenty-five percent (25%) of all monies collected by the
6 Insurance Department pursuant to this section to the Attorney
7 General's Insurance Fraud Unit Revolving Fund created in Section
8 19.3 of Title 74 of the Oklahoma Statutes, for use by the Attorney
9 General in the investigation and prosecution of insurance fraud.
10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-4-12 - DO
11 PASS, As Amended.

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