

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2751

By: Kirby

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5  
6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2011,  
8 Section 307.3, which relates to the State Insurance  
9 Commissioner Revolving Fund; modifying fees that are  
10 not included in fund; amending 36 O.S. 2011, Section  
11 307.5, which relates to the Insurance Department  
12 Anti-Fraud Revolving Fund; specifying that certain  
13 fees shall be deposited into fund; exempting fees  
14 from certain transfer requirements; amending 36 O.S.  
15 2011, Section 362, which relates to fees designated  
16 for the investigation and prevention of certain  
17 fraud; providing that fees shall be paid into certain  
18 fund; providing an effective date; and declaring an  
19 emergency.

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

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

23 Section 307.3 A. Effective July 1, 2009, there is hereby  
24 created in the State Treasury a revolving fund for the Insurance  
25 Commissioner called the State Insurance Commissioner Revolving Fund.  
26 The revolving fund shall be used to fund the operations of the  
27 Office of the Insurance Commissioner.

1 1. Notwithstanding any other law to the contrary, the revolving  
2 fund shall consist of and consolidate all funds that are or have  
3 been paid or collected by the Insurance Commissioner pursuant to the  
4 laws of this state and the rules of the Insurance Department except  
5 that the revolving fund shall not include:

6 a. premium taxes,

7 b. fees paid to the Insurance Department Anti-Fraud

8 Revolving Fund for the purposes of investigation of

9 suspected insurance fraud and monies transferred to

10 the Attorney General's Insurance Fraud Unit Revolving

11 Fund pursuant to Section 362 of this title,

12 c. funds paid to and collected pursuant to the Oklahoma

13 Certified Real Estate Appraisers Act, Sections 858-700

14 through 858-732 of Title 59 of the Oklahoma Statutes,

15 d. health carrier access payments paid to and collected

16 by the Insurance Commissioner and deposited into the

17 Health Carrier Access Payment Revolving Fund, and

18 e. recoveries obtained as a result of insurance-related

19 crimes, and other fines, late fees, and penalties

20 assessed and collected.

21 2. The revolving fund shall be a continuing fund, not subject  
22 to fiscal year limitations. Expenditures from the revolving fund  
23 shall be made pursuant to the laws of this state and the statutes  
24 relating to the Insurance Department. Warrants for expenditures

1 from the revolving fund shall be drawn by the State Treasurer, based  
2 on claims signed by an authorized employee or employees of the  
3 Insurance Department and filed with the Director of the Office of  
4 State Finance.

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

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

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

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

1 employees of the Insurance Department and filed with the Director of  
2 the Office of State Finance. The fund shall be used for the purpose  
3 of administering investigations of abuse, negligence or criminal  
4 conduct regarding insurance laws or regulations.

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

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

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1        D. Fees collected pursuant to Section 362 of this title that  
2 are not subject to transfer to the Attorney General's Insurance  
3 Fraud Unit Revolving Fund shall be deposited into the Insurance  
4 Department Anti-Fraud Revolving Fund. These monies are not subject  
5 to the calculations or transfers referenced in subsection C of this  
6 section.

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

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

1 payments shall be due on or before the last day of the month  
2 following each calendar quarter. Beginning in the calendar year  
3 2010, payment of the annual fee shall be made as one payment of  
4 Seven Hundred Fifty Dollars (\$750.00) which shall be paid on or  
5 before July 1. Within sixty (60) days after each calendar quarter  
6 in which monies are collected, the Commissioner shall transfer  
7 twenty-five percent (25%) of all monies collected by the Insurance  
8 Department pursuant to this section to the Attorney General's  
9 Insurance Fraud Unit Revolving Fund created in Section 19.3 of Title  
10 74 of the Oklahoma Statutes, for use by the Attorney General in the  
11 investigation and prosecution of insurance fraud.

12 SECTION 4. This act shall become effective July 1, 2012.

13 SECTION 5. It being immediately necessary for the preservation  
14 of the public peace, health and safety, an emergency is hereby  
15 declared to exist, by reason whereof this act shall take effect and  
16 be in full force from and after its passage and approval.

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