

**HOUSE OF REPRESENTATIVES - FLOOR VERSION**

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

ENGROSSED SENATE  
BILL NO. 1026

By: Bingman, Jolley and  
Brinkley of the Senate

and

Grau of the House

[ CompSource Oklahoma - creating the CompSource  
Mutual Insurance Company Act - effective date ]

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 375.1 of Title 85, unless there  
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "CompSource  
Mutual Insurance Company Act".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 375.2 of Title 85, unless there  
is created a duplication in numbering, reads as follows:

As used in the CompSource Mutual Insurance Company Act:

1        1. "Chief executive officer" means the President and Chief  
2 Executive Officer of CompSource Mutual Insurance Company. Effective  
3 January 1, 2015, all references in the Oklahoma Statutes to the  
4 State Insurance Fund Commissioner, the Commissioner of the State  
5 Insurance Fund, or the CompSource Oklahoma President and Chief  
6 Executive Officer shall be deemed references to the President and  
7 Chief Executive Officer of CompSource Mutual Insurance Company;

8        2. "Company" means CompSource Mutual Insurance Company; and

9        3. "Director" means a member of the Board of Directors of  
10 CompSource Mutual Insurance Company.

11        SECTION 3.        NEW LAW        A new section of law to be codified  
12 in the Oklahoma Statutes as Section 375.3 of Title 85, unless there  
13 is created a duplication in numbering, reads as follows:

14        A. Effective January 1, 2015, CompSource Oklahoma shall operate  
15 as, and exercise the powers of, a domestic mutual insurer without  
16 capital stock or shares, in accordance with Title 36 of the Oklahoma  
17 Statutes, and shall be called CompSource Mutual Insurance Company.  
18 The Insurance Commissioner shall approve the Company's articles of  
19 incorporation and issue a certificate of authority to the Company to  
20 write workers' compensation insurance, as provided by Title 36 of  
21 the Oklahoma Statutes, not later than August 1, 2014, which shall  
22 become effective January 1, 2015. The Chief Executive Officer of  
23 CompSource Oklahoma shall take any measure necessary to accomplish

1 the transition from CompSource Oklahoma to CompSource Mutual  
2 Insurance Company.

3 B. The Company shall be organized as a corporation benefiting  
4 the citizens of Oklahoma by providing workers' compensation and  
5 related coverages which are competitively priced that generally  
6 benefit the public, but remain a financially independent entity that  
7 is neither more nor less than self-supporting.

8 C. The Company may provide related coverage which is incidental  
9 to workers' compensation insurance, including but not limited to  
10 coverage for risks under the Longshore and Harbor Workers'  
11 Compensation Act, 33 U.S.C. Section 901 et seq., and Title IV of the  
12 Federal Coal Mine Health and Safety Act of 1969 as amended by the  
13 Black Lung Benefits Act of 1972, as enacted or as may be amended by  
14 the Congress of the United States and other coverage related to  
15 employee and employment risks.

16 D. The Company shall provide worker's compensation insurance  
17 coverage for volunteer firefighters as provided in Section 380 of  
18 Title 85 of the Oklahoma Statutes.

19 E. The Company shall be an insurance carrier for purposes of  
20 the Workers' Compensation Code.

21 F. Except as otherwise provided in this act, the Company shall  
22 be subject to the requirements of Title 36 of the Oklahoma Statutes  
23 and all regulatory authority granted to the Insurance Commissioner  
24 as would any other domestic mutual insurance company.

1 G. The Company shall be exempt from the following provisions of  
2 Title 36 of the Oklahoma Statutes:

3 1. Article 9;

4 2. Article 9A, other than Section 924.2 of Title 36 of the  
5 Oklahoma Statutes; and

6 3. Article 9B.

7 H. CompSource Mutual Insurance Company shall not be considered  
8 a state agency, public body, department, public trust, or any other  
9 term used to describe an entity which is a part of the Executive  
10 Branch of the State of Oklahoma under any state statute or  
11 regulation, except as otherwise provided for in the CompSource  
12 Mutual Insurance Company Act. As such, Oklahoma state statutes that  
13 shall not apply to CompSource Mutual Insurance Company include, but  
14 are not limited to:

15 (1) 25 O.S. §§301 - 314, Oklahoma Open Meetings Act

16 (2) 47 O.S. §§151 - 159.11, State-Owned Automobiles

17 (3) 51 O.S. §§ 24A.1 - 24A.29, Oklahoma Open Records Act

18 (4) 51 O.S. §§ 151 - 200, The Governmental Tort Claims Act

19 (5) Title 61 of the Oklahoma Statutes, Public Buildings and  
20 Public Works

21 (6) Title 62 of the Oklahoma Statutes, Public Finance

22 (7) 65 O.S. §§3-101 - 3-115, Department of Libraries

23 (8) 67 O.S. §§201 - 217, Records Management Act

24 (9) 67 O.S. §§301 - 303, Reproduction of Public Records

1 (10) 67 O.S. §§ 305 - 317, Archives and Record Commission

2 (11) 73 O.S. §§ 81 - 97, Capitol Grounds and Buildings

3 (12) Chapters 4, 8, 10, 13, 17, 19, 27A, 30, 31, 37, 37A, 37B,  
4 38A, 38B, 45, 45A, 48, 49, 50, 53, 56, 61, 81 and 110A of Title 74;  
5 and

6 (13) Section 34.2 of Title 80.

7 I. By enacting the CompSource Mutual Insurance Company Act, the  
8 legislature creates CompSource Mutual Insurance Company which,  
9 subject to the provisions of this act:

10 1. Shall be organized and operated under Oklahoma law, but be  
11 independent of the state of Oklahoma;

12 2. Shall provide worker's compensation insurance to any  
13 employer in Oklahoma which seeks such insurance and meets other  
14 reasonable requirements relating thereto;

15 3. Shall not be permitted to dissolve; and

16 4. Shall have a majority of the board of directors or oversight  
17 body of such organization appointed by the Governor or legislative  
18 officers as specified in Section 4 of this act.

19 J. Effective January 1, 2015, any references in the Oklahoma  
20 Statutes to CompSource Oklahoma or The State Insurance Fund shall be  
21 deemed references to CompSource Mutual insurance Company.

22 SECTION 4. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 375.4 of Title 85, unless there  
24 is created a duplication in numbering, reads as follows:

1       A. CompSource Mutual Insurance Company shall be governed by a  
2 Board of Directors composed of ten (10) members, all of whom shall  
3 be citizens of the state. The Board of Directors shall be composed  
4 of:

5           1. The Lieutenant Governor or a designee;

6           2. The Governor's Secretary of Finance and Revenue or a  
7 designee;

8           3. One member appointed by the Governor;

9           4. One member appointed by the Speaker of the House of  
10 Representatives;

11          5. One member appointed by the President Pro Tempore of the  
12 Senate;

13          6. Four members shall be elected by the Company's  
14 policyholders; and

15          7. The Chief Executive Officer of the Company shall be an ex  
16 officio, nonvoting member.

17       B. Other than the Chief Executive Officer of the Company, the  
18 Lieutenant Governor or a designee, and the Secretary of Finance and  
19 Revenue or a designee, the members of the Board of Directors shall  
20 serve staggered six-year terms expiring July 1. An appointed or  
21 elected Director whose term has expired shall continue to serve  
22 until the Director's replacement is elected by the policyholders or  
23 appointed by the appointing authority, or until such time as the  
24 Director is reelected or reappointed, as applicable. If the

1 Lieutenant Governor or Secretary of Finance and Revenue selects a  
2 designee, that designee shall continue to serve until the Lieutenant  
3 Governor or Secretary of Finance and Revenue replaces the designee  
4 or assumes their position on the Company's Board of Directors.

5 C. If an appointed Director's position becomes vacant, the  
6 officer who appointed the outgoing Director in subsection A of this  
7 section shall appoint a new Director to the Board. A vacancy in the  
8 elected Directors shall be filled as provided by the Company's  
9 bylaws. If a vacancy occurs before the date on which the vacating  
10 Director's term is set to expire, the successor Director shall be  
11 elected or appointed for a term to expire on the same date as the  
12 vacating Director's term.

13 SECTION 5. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 375.5 of Title 85, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. The members of the Board of Managers of CompSource Oklahoma  
17 who are serving on the effective date of this act shall serve as the  
18 initial Board of Directors of CompSource Mutual Insurance Company.  
19 The terms of the initial Board members shall be extended from  
20 January 1, 2015 to July 1, 2015.

21 B. The Lieutenant Governor or a designee, Secretary of Finance  
22 and Revenue or a designee, one member appointed by the Governor, one  
23 member appointed by the Speaker of the House of Representatives, and  
24 one member appointed by the President Pro Tempore of the Senate

1 shall continue to serve on the Board of Directors of CompSource  
2 Mutual Insurance Company as provided in subsection D of this  
3 section. The other initial Board positions shall be converted to  
4 elected positions as provided in subsection C of this section.

5 C. On or before July 1, 2015, the Company shall hold its first  
6 meeting of the policyholders. At that meeting the policyholders  
7 shall elect four directors. The method of election shall be  
8 specified in the Company's bylaws.

9 D. The initial terms of the Board of Directors of CompSource  
10 Mutual Insurance Company shall be as follows:

11 1. The terms of the Board member appointed by the Speaker of  
12 the House of Representatives and the fourth member elected pursuant  
13 to subsection C of this section shall expire on July 1, 2018.

14 2. The terms of the Board member appointed by the President Pro  
15 Tempore of the Senate and the third member elected pursuant to  
16 subsection C of this section shall expire on July 1, 2020.

17 3. The terms of the Board member appointed by the Governor and  
18 the first and second member elected pursuant to subsection C of this  
19 section shall expire on July 1, 2022.

20 After such initial terms, the terms of the Board members shall  
21 be as provided in Section 4 of this act.

22 E. The bylaws and Board policies of CompSource Oklahoma on the  
23 effective date of this act become the bylaws and Board policies of  
24 the Company until amended or revised by the Company's Board.

1           SECTION 6.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 375.6 of Title 85, unless there  
3 is created a duplication in numbering, reads as follows:

4           The Board of Directors of CompSource Mutual Insurance Company  
5 shall have supervision over the administration and operation of the  
6 Company. In this regard, the Board shall function in all aspects as  
7 a governing body of a domestic mutual insurance company.

8           The Board shall:

9           1. Employ a Chief Executive Officer who is vested with full  
10 power, authority and jurisdiction over the Company. The Chief  
11 Executive Officer shall perform any duties which are necessary or  
12 convenient in the exercise of any power, authority, or jurisdiction  
13 over the Company;

14           2. Provide for the delivery in this state of workers'  
15 compensation insurance and for the transaction of workers'  
16 compensation insurance business to the same extent as any other  
17 insurance carrier transacting workers' compensation insurance  
18 business in this state; and

19           3. Establish a compensation committee to determine appropriate  
20 compensation for the Chief Executive Officer and Directors of  
21 CompSource Mutual Insurance Company, provided that compensation for  
22 any Director who is a state officer does not conflict with the laws  
23 of the state.

24

1           SECTION 7.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 375.7 of Title 85, unless there  
3 is created a duplication in numbering, reads as follows:

4           A.   The Board of Directors of CompSource Mutual Insurance  
5 Company shall have full power and authority to set actuarially sound  
6 rates to be charged by the Company for insurance.   The Board shall  
7 engage the services of an independent actuary who is a member in  
8 good standing with the Casualty Actuarial Society or the American  
9 Academy of Actuaries to develop and recommend actuarially sound  
10 rates.

11           B.   Rates shall be set in amounts sufficient, when invested, to:

12           1.   Carry all claims to maturity;

13           2.   Meet the reasonable expenses of conducting the business of  
14 the Company; and

15           3.   Maintain a reasonable surplus.

16           SECTION 8.           NEW LAW           A new section of law to be codified  
17 in the Oklahoma Statutes as Section 375.8 of Title 85, unless there  
18 is created a duplication in numbering, reads as follows:

19           Neither a member of the Board of Directors of CompSource Mutual  
20 Insurance Company nor the Chief Executive Officer or any officer or  
21 employee of the Company shall be personally liable in the person's  
22 private capacity for any act performed or for any contract or other  
23 obligation entered into or undertaken in an official capacity in  
24 good faith and without intent to defraud, including, but not limited

1 to, the identification and referral of a person for investigation  
2 and prosecution for a possible administrative violation or criminal  
3 offense.

4 SECTION 9. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 375.9 of Title 85, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. The Company shall establish and maintain reserves for losses  
8 on an actuarially sound basis in accordance with requirements as  
9 provided in Title 36 of the Oklahoma Statutes.

10 B. Pursuant to Section 2123 of Title 36 of the Oklahoma  
11 Statutes and in accordance with criteria approved by the Board,  
12 which may consider the policyholder's safety record and performance,  
13 the Company may pay cash dividends or allow a credit on renewal  
14 premium for policyholders insured with the Company.

15 C. The Company shall have full power and authority:

16 1. To enter into contracts of insurance insuring persons, firms  
17 and corporations against loss, expense or liability by reason of  
18 bodily injury, death or accident, occupational disability, or  
19 occupational disease suffered by employees for which the insured may  
20 be liable or have assumed liability, including, but not limited to,  
21 contracts of insurance or reinsurance for the purpose of insuring  
22 employers operating in this state and their employees who may work  
23 outside this state;

24

1        2. To purchase reinsurance for any risk or any portion of any  
2 risk of the Company. The purchase of reinsurance may be made  
3 through intermediaries;

4        3. To establish a multitiered premium or rating system to  
5 provide workers' compensation insurance policies to insureds in the  
6 State, which may allow premium adjustments based upon the Company's  
7 evaluation of the underwriting characteristics on the individual  
8 risk and the appropriate premium to be charged for the policy  
9 coverages; and

10       4. To establish subsidiaries.

11       D. The Company may decline to insure any risk in which the  
12 minimum requirements of the law with regard to construction,  
13 equipment and operation are not observed, or which is beyond the  
14 safe carrying of the Company, but as a I.R.C. § 501(c)(27)(B)  
15 organization shall not have power or authority, except as otherwise  
16 provided in this act, to refuse to insure any compensation risk  
17 tendered with the premium therefor.

18       E. In addition to other rights of the Company under this  
19 article, the Company has the legal rights of a mutual insurance  
20 company operating under Title 36 of the Oklahoma Statutes, and of a  
21 private person in this state, and has the power to sue and be sued  
22 in its own name. No procedure is a prerequisite to the exercise of  
23 the power by the Company to sue.

24

1 SECTION 10. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 375.10 of Title 85, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. CompSource Mutual Insurance Company shall be subject to  
5 premium taxes in the same manner as a domestic mutual insurance  
6 company authorized by the Insurance Department to write workers'  
7 compensation insurance in this state as provided in Oklahoma  
8 Statutes.

9 B. The Company shall be a member of and shall be protected by  
10 the Oklahoma Property and Casualty Insurance Guaranty Association.

11 C. Notwithstanding subsection B of this section, the Company is  
12 liable only for an assessment by the Oklahoma Property and Casualty  
13 Insurance Guaranty Association regarding a claim with a date of  
14 injury occurring on or after January 1, 2015, and the Oklahoma  
15 Property and Casualty Insurance Guaranty Association, with respect  
16 to an insolvency of the Company, is liable only for a claim with a  
17 date of injury occurring on or after such date.

18 SECTION 11. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 375.11 of Title 85, unless there  
20 is created a duplication in numbering, reads as follows:

21 A. The Company shall file with the Workers' Compensation Court  
22 and the Insurance Department all financial reports required of other  
23 workers' compensation insurers.

24

1 B. Any report the Company is required to file with any  
2 authority shall be in conformity with statutory accounting practices  
3 prescribed, or otherwise permitted, by the Insurance Department.

4 SECTION 12. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 375.12 of Title 85, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. All revenues, monies, and assets of CompSource Mutual  
8 Insurance Company belong solely to the Company and shall be governed  
9 by the laws applicable to domestic mutual insurance companies. The  
10 state covenants with the policyholders of the Company, persons  
11 receiving workers' compensation benefits, and the Company's  
12 creditors that the state will not borrow, appropriate, or direct  
13 payments from those revenues, monies, or assets for any purpose.  
14 The state has no liability or responsibility to the policyholders,  
15 persons receiving workers' compensation benefits, or the creditors  
16 of the Company if the Company is placed in conservatorship or  
17 receivership, or insolvent.

18 B. CompSource Mutual Insurance Company may exercise all the  
19 rights, privileges, powers, and authority of any other mutual  
20 insurance company organized to transact workers' compensation  
21 insurance business in this state, subject to the requirements of  
22 Title 36 of the Oklahoma Statutes. Effective January 1, 2015:

23 1. The Company shall be considered to be a continuation of  
24 CompSource Oklahoma as it existed prior to this act; and

1        2. As a continuation of CompSource Oklahoma, the Company is  
2 vested with all property, tangible and intangible, real and  
3 personal, of CompSource Oklahoma and control of that fund.

4        C. Effective January 1, 2015:

5        1. CompSource Mutual Insurance Company may enforce all contract  
6 and statutory rights of CompSource Oklahoma;

7        2. Each debt, claim, and cause of action of CompSource  
8 Oklahoma, and each property right, privilege, franchise, or other  
9 interest of CompSource Oklahoma, is the property of CompSource  
10 Mutual Insurance Company;

11       3. The rights of all policyholders and creditors and the  
12 standing of all claims under CompSource Oklahoma is preserved  
13 unimpaired under CompSource Mutual Insurance Company; and

14       4. Each debt, liability, and duty of CompSource Oklahoma is a  
15 debt, liability, or duty of CompSource Mutual Insurance Company and  
16 may be enforced against CompSource Mutual Insurance Company.

17       D. A cause of action or similar proceeding to which CompSource  
18 Oklahoma was a party pending on January 1, 2015:

19       1. Is not affected by this act;

20       2. May be continued to be prosecuted by or against the Company;  
21 and

22       3. Continues to be governed by and conducted under the  
23 requirements of the Oklahoma Statutes, as those requirements existed  
24

1 before the effective date of this act, and the applicable bylaws,  
2 rules, and regulations of CompSource Oklahoma.

3 E. The rates established by the Board of Directors of the  
4 Company, or formerly established by the Board of Managers of  
5 CompSource Oklahoma and in effect on the effective date of this act  
6 for CompSource Oklahoma shall be the initial rates for CompSource  
7 Mutual Insurance Company.

8 SECTION 13. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 375.13 of Title 85, unless there  
10 is created a duplication in numbering, reads as follows:

11 If any section of the provision of this act be decided by the  
12 Courts to be unconstitutional or invalid, the same shall not affect  
13 the validity of this act as a whole, or any part thereof other than  
14 the part so decided to be unconstitutional or invalid.

15 SECTION 14. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 913.9 of Title 74, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. All persons employed by CompSource Oklahoma prior to the  
19 effective date of this act shall remain members of the Oklahoma  
20 Public Employees Retirement System until retirement or termination.

21 B. 1. Effective January 1, 2015, for all employees who remain  
22 members of the Oklahoma Public Employees Retirement System pursuant  
23 to subsection A of this section, CompSource Mutual Insurance Company  
24 shall pay the required employer contributions applicable to the

1 participating employers in the Oklahoma Public Employees Retirement  
2 System pursuant to Section 920 of Title 74 of the Oklahoma Statutes  
3 and the employee shall continue to pay employee contributions as  
4 required by Section 919.1 of Title 74 of the Oklahoma Statutes.

5 2. For purposes of the employee contributions under Section  
6 919.1 of Title 74 of the Oklahoma Statutes and employer  
7 contributions under Section 920 of Title 74 of the Oklahoma  
8 Statutes, an employees' annual compensation shall be deemed to be  
9 the lesser of:

- 10 a. the employees actual annual compensation, or  
11 b. 110% of the amount deemed to be the employee's annual  
12 compensation under this section in the previous year.

13 3. For purposes of determining an employee's annual retirement  
14 benefit pursuant to Section 915 of Title 74 of the Oklahoma  
15 Statutes, an employee's final average compensation shall be the  
16 average of the amounts deemed to be the employee's annual  
17 compensation in paragraph 2 of this subsection during the highest  
18 three (3) of the last ten (10) years of participating service  
19 immediately preceding retirement or termination of employment.

20 C. All employees of CompSource Mutual Insurance Company who  
21 remain members of the Oklahoma Public Employees Retirement System  
22 pursuant to subsection A of this section shall continue to be  
23 eligible employees for purposes of Sections 901 through 932 of Title  
24 74 of the Oklahoma Statutes. CompSource Mutual Insurance Company

1 shall be considered a participating employer, as defined by  
2 paragraph 25 of Section 902 of Title 74 of the Oklahoma Statutes  
3 only for such employees. If a member retires from the Oklahoma  
4 Public Employees Retirement System pursuant to Section 914 of Title  
5 74 of the Oklahoma Statutes and is employed or continues to be  
6 employed by CompSource Mutual Insurance company, he or she shall not  
7 be considered to be employed under the Oklahoma Public Employees  
8 Retirement System Act pursuant to subsection B of Section 914 of  
9 Title 74 of the Oklahoma Statutes.

10 D. No person initially employed by CompSource Mutual Insurance  
11 Company after the effective date of this act shall be allowed to  
12 participate in the Oklahoma Public Employees Retirement System  
13 during the term of their employment with the Company, whether that  
14 employee was previously employed by a participating employer in the  
15 Oklahoma Public Employees Retirement System including CompSource  
16 Oklahoma.

17 E. 1. All annual leave and sick leave accumulated prior to  
18 January 1, 2015, by an employee who remains a member of the Oklahoma  
19 Public Employees Retirement System pursuant to subsection A of this  
20 section will be recognized by the CompSource Mutual Insurance  
21 Company, subject to all accrual limitations in the Oklahoma  
22 Statutes.

23 2. Effective January 1, 2015, employees of CompSource Mutual  
24 Insurance Company shall not accrue annual leave and sick leave

1 pursuant to Section 840-2.20 of Title 74 of the Oklahoma Statutes,  
2 but may accrue annual leave and sick leave according to a policy  
3 established by the Chief Executive Officer at a rate not to exceed  
4 that of state employees under Title 74 of the Oklahoma Statutes.

5 3. The total participating service credit of a member who  
6 retires or terminates employment and elects a vested benefit shall  
7 include unused sick leave not to exceed the limitation imposed by  
8 subparagraph a of paragraph 7 of subsection B of Section 930 of  
9 Title 74 of the Oklahoma Statutes. If unused sick leave entitles a  
10 member to an additional year of service credit, the CompSource  
11 Mutual Insurance Company shall reimburse the System for the cost of  
12 funding the additional reserve. CompSource Mutual Insurance Company  
13 shall provide the System with adequate and timely information  
14 necessary to determine additional benefits and its cost under this  
15 paragraph.

16 SECTION 15. AMENDATORY 36 O.S. 2011, Section 902.3, is  
17 amended to read as follows:

18 Section 902.3. A. Workers' compensation premiums shall be  
19 calculated on a basis that, as nearly as is practicable, after the  
20 effects of experience rating and other applicable rating plans have  
21 been considered, the sum of expected losses and expected expenses as  
22 a percentage of premium shall be the same for high-and low-wage-  
23 paying employers in the same job classification.

1 B. The Insurance Commissioner ~~and the Board of Managers of~~  
2 ~~CompSource Oklahoma~~ shall:

3 1. Determine the extent to which high-wage-paying employers are  
4 paying premiums higher than those which would produce the same ratio  
5 of expected losses and expenses to premiums as for employers paying  
6 lower wages;

7 2. Determine whether this effect is primarily seen in certain  
8 types of job classifications;

9 3. Investigate alternatives and modifications to the current  
10 method of computing workers' compensation premiums, including wage  
11 rate recognition plans used in other states, split classifications,  
12 wage rate caps, and hours worked;

13 4. Conduct a hearing or hearings on this matter, including  
14 consideration of other alternatives; and

15 5. Adopt rules by January 1, 1996, to become effective on July  
16 1, 1996, unless disapproved by the Legislature, to equalize, as  
17 nearly as is practicable, expected losses and expenses as a  
18 percentage of workers' compensation premiums for high-and low-wage-  
19 paying employers in the same job classification. If the effect is  
20 found to be primarily seen in certain types of job classifications,  
21 the rules shall be adopted to apply only to such types of job  
22 classifications. The adopted rules shall be subject to legislative  
23 review and shall be promulgated as permanent rules pursuant to the  
24 Administrative Procedures Act. The agency rule report required by

1 the Administrative Procedures Act shall include a rule impact  
2 statement together with an actuarial analysis of the proposed rule  
3 describing in detail the classes of persons who most likely will be  
4 affected by the proposed rules; the classes of persons who will  
5 benefit from the adopted rules; and the probable economic impact of  
6 the proposed rules upon the affected classes of persons. The  
7 actuarial analysis shall be prepared by an independent actuary  
8 selected by the Insurance Commissioner. The rules shall not be  
9 invalidated on the ground that the contents of the rule impact  
10 statement or the actuarial analysis are insufficient or inaccurate.

11 C. The cost of the premium adjustment plan shall be allocated  
12 among all employers purchasing workers' compensation insurance from  
13 all carriers, ~~including CompSource Oklahoma.~~

14 SECTION 16. AMENDATORY 36 O.S. 2011, Section 903.2, is  
15 amended to read as follows:

16 Section 903.2. ~~A.~~ No insurance company shall request and the  
17 Insurance Commissioner shall not approve an increase for the expense  
18 portion of insurance company rate filings based upon the  
19 requirements of Section 6701 of this title, Section 425 of Title 40  
20 of the Oklahoma Statutes, and Section 61.2 of Title 85 of the  
21 Oklahoma Statutes.

22 ~~B. CompSource Oklahoma shall not request and its Board of~~  
23 ~~Managers shall not approve reimbursement for expenses based upon the~~  
24 ~~requirements of Section 6701 of this title, Section 425 of Title 40~~

1 ~~of the Oklahoma Statutes, and Section 61.2 of Title 85 of the~~  
2 ~~Oklahoma Statutes above the limitation on expenses of administration~~  
3 ~~of CompSource Oklahoma specified in Section 139 of Title 85 of the~~  
4 ~~Oklahoma Statutes.~~

5 SECTION 17. AMENDATORY 36 O.S. 2011, Section 924.2, is  
6 amended to read as follows:

7 Section 924.2. A. Any rate, schedule of rates or rating plan  
8 for workers' compensation insurance submitted to or filed with the  
9 Insurance Commissioner, or fixed by the Board of ~~Managers of~~  
10 ~~CompSource Oklahoma~~ Directors of CompSource Mutual Insurance  
11 Company, and premiums, by whatever name, for workers' compensation  
12 for self-insureds except for group self-insured associations shall  
13 provide for an appropriate reduction in premium charges, by whatever  
14 name, for those eligible insured employers who have successfully  
15 participated in the occupational safety and health consultation,  
16 education and training program administered by the Commissioner of  
17 the Department of Labor pursuant to Section 414 of Title 40 of the  
18 Oklahoma Statutes.

19 B. All insurance companies writing workers' compensation  
20 insurance in this state, ~~including CompSource Oklahoma,~~ and all  
21 self-insureds providing workers' compensation insurance except for  
22 group self-insured associations, shall allow an appropriate  
23 reduction in premium charges to all eligible employers who qualify  
24 for the reduction pursuant to the provisions of this section.

1 C. Eligible employers shall be those employers:

2 1. Who are insured by an insurance company writing workers'  
3 compensation insurance in this state; or

4 2. Who are self-insured; ~~or~~

5 ~~3. Who are insured by CompSource Oklahoma.~~

6 D. In order to qualify for the reduction in workers'  
7 compensation insurance premium, an employer shall successfully  
8 participate annually in the occupational safety and health  
9 consultation, education and training program administered by the  
10 Department of Labor. Successful participation shall be defined as:

11 1. Undergoing a safety and health hazard survey of the  
12 workplace, including an evaluation of the employer's safety and  
13 health program and onsite interviews with employees by the  
14 Department's consultant;

15 2. Correcting all hazards identified during the onsite visit  
16 within a reasonable period of time as established by the Department;

17 3. Establishing an effective workplace safety and health  
18 program and implementing program provisions within a reasonable  
19 period of time as established by the Department. The program shall  
20 include:

21 a. demonstration of management commitment to worker  
22 safety and health,

23 b. procedures for identifying and controlling workplace  
24 hazards,

1 c. development and communication of safety plans, rules  
2 and work procedures, and

3 d. training for supervisors and employees in safe and  
4 healthful work practices;

5 4. Reducing by one-third (1/3) or more the extent to which the  
6 lost workday case rate, as measured by the Department of Labor, was  
7 above the national average for the industry at the time the employer  
8 elected to participate in the occupational safety and health  
9 consultation, education and training program, or maintaining a rate  
10 at or below the national average for the industry; and

11 5. Documenting a reduction in workers' compensation claims for  
12 the preceding year by showing one of the following:

13 a. a ten percent (10%) reduction in the dollar amount of  
14 claims,

15 b. a ten percent (10%) reduction in the severity of  
16 claims, or

17 c. no reported claims, as a result of attending the  
18 occupational safety and health consultation, education  
19 and training program administered by the Department of  
20 Labor.

21 E. 1. Upon successful participation in the occupational safety  
22 and health consultation, education and training program as defined  
23 in subsection D of this section, an employer shall be issued a  
24 certificate by the Commissioner of the Department of Labor which

1 shall be the basis of qualification for the reduction in workers'  
2 compensation insurance premium, by whatever name. The certificate  
3 shall qualify the employer for a premium reduction for a one-year  
4 period.

5 2. Upon issuance of a certificate to an employer, the  
6 Commissioner of the Department of Labor shall mail a copy of the  
7 certificate to the employer's insurer. Any insurer required by this  
8 section to allow an appropriate reduction in premium charges to a  
9 qualified employer which willfully fails to allow such reduction  
10 after receiving a copy of the certificate shall be subject, after  
11 notice and hearing, to an administrative fine, imposed by the  
12 Insurance Commissioner, which shall be not less than Ten Thousand  
13 Dollars (\$10,000.00) or three times the amount of the premium  
14 reduction, whichever is greater. The Insurance Commissioner shall  
15 promulgate rules necessary to carry out the provisions of this  
16 paragraph.

17 F. The Insurance Commissioner, and the Administrator of the  
18 Workers' Compensation Court ~~and the CompSource Oklahoma President~~  
19 ~~and Chief Executive Officer~~ shall maintain records documenting  
20 reductions in workers' compensation insurance premiums granted  
21 pursuant to this section and shall make an annual report of such  
22 reductions to the President Pro Tempore of the Senate and the  
23 Speaker of the House of Representatives by May 1 of each year.

24

1 Insurers shall report such premium reductions in their annual  
2 statement.

3 ~~G. CompSource Oklahoma shall instruct its actuary to~~  
4 ~~continually review the insurance premium credit program, developed~~  
5 ~~and implemented pursuant to Section 142a of Title 85 of the Oklahoma~~  
6 ~~Statutes, to determine if the program is detrimental to the~~  
7 ~~financial stability of CompSource Oklahoma. If the actuary~~  
8 ~~determines that the program contributes detrimentally to the~~  
9 ~~financial stability of CompSource Oklahoma, the actuary shall~~  
10 ~~immediately recommend to the CompSource Oklahoma President and Chief~~  
11 ~~Executive Officer that the safety premium reduction cease for a one-~~  
12 ~~year period.~~

13 SECTION 18. AMENDATORY 36 O.S. 2011, Section 995, is  
14 amended to read as follows:

15 Section 995. Joint Underwriting, Joint Reinsurance Pool and  
16 Residual Market Activities.

17 A. This section shall not apply to transactions involving  
18 CompSource Oklahoma Mutual Insurance Company.

19 B. Notwithstanding paragraph 3 of subsection A of Section 992  
20 of this title, insurers participating in joint underwriting, joint  
21 reinsurance pools or residual market mechanisms may in connection  
22 with such activity act in cooperation with each other in the making  
23 of rates, rating systems, policy forms, underwriting rules, surveys,  
24 inspections and investigations, the furnishing of loss and expense

1 statistics or other information, or carrying on research. Joint  
2 underwriting, joint reinsurance pools and residual market mechanisms  
3 shall not be deemed an advisory organization.

4 C. Except to the extent modified by this section, joint  
5 underwriting, joint reinsurance pool and residual market mechanism  
6 activities are subject to the other provisions of the Property and  
7 Casualty Competitive Loss Cost Rating Act.

8 D. If, after a hearing, the Commissioner finds that any  
9 activity or practice of an insurer participating in joint  
10 underwriting or a pool is unfair, is unreasonable, will tend to  
11 lessen competition in any market or is otherwise inconsistent with  
12 the provisions or purposes of the Property and Casualty Competitive  
13 Loss Cost Rating Act, the Commissioner may issue a written order and  
14 require the discontinuance of such activity or practice.

15 E. Every pool shall file with the Commissioner a copy of its  
16 constitution, articles of incorporation, agreement or association,  
17 bylaws, rules and regulations governing its activities, list of  
18 members, the name and address of a resident of this state upon whom  
19 notice, orders of the Commissioner, or process may be served, and  
20 any changes in amendments or changes in the foregoing.

21 F. Any residual market mechanism, plan or agreement to  
22 implement such a mechanism, and any changes or amendments thereto,  
23 shall be submitted in writing to the Commissioner for consideration  
24

1 and approval, together with such information as may be reasonably  
2 required.

3 SECTION 19. AMENDATORY 36 O.S. 2011, Section 1250.2, is  
4 amended to read as follows:

5 Section 1250.2. As used in the Unfair Claims Settlement  
6 Practices Act:

7 1. "Agent" means any individual, corporation, association,  
8 partnership, or other legal entity authorized to represent an  
9 insurer with respect to a claim;

10 2. "Claimant" means either a first party claimant, a third  
11 party claimant, or both, and includes such claimant's designated  
12 legal representatives and includes a member of the claimant's  
13 immediate family designated by the claimant;

14 3. "Commissioner" means the Insurance Commissioner;

15 4. "First party claimant" means an individual, corporation,  
16 association, partnership, or other legal entity, including a  
17 subscriber under any plan providing health services, asserting a  
18 right to payment pursuant to an insurance policy or insurance  
19 contract for an occurrence of contingency or loss covered by such  
20 policy or contract;

21 5. "Health benefit plan" means group hospital or medical  
22 insurance coverage, a not-for-profit hospital or medical service or  
23 indemnity plan, a prepaid health plan, a health maintenance  
24 organization plan, a preferred provider organization plan, the State

1 and Education Employees Group Health Insurance Plan, and coverage  
2 provided by a Multiple Employer Welfare Arrangement (MEWA) or  
3 employee self-insured plan except as exempt under federal ERISA  
4 provisions. The term shall not include short-term accident, fixed  
5 indemnity, or specified disease policies, disability income  
6 contracts, limited benefit or credit disability insurance, workers'  
7 compensation insurance coverage, automobile medical payment  
8 insurance, or insurance under which benefits are payable with or  
9 without regard to fault and which is required by law to be contained  
10 in any liability insurance policy or equivalent self-insurance;

11 6. "Insurance policy or insurance contract" means any contract  
12 of insurance, certificate, indemnity, medical or hospital service,  
13 suretyship, annuity, subscriber certificate or any evidence of  
14 coverage of a health maintenance organization issued, proposed for  
15 issuance, or intended for issuance by any entity subject to this  
16 Code;

17 7. "Insurer" means a person licensed by the Commissioner to  
18 issue or who issues any insurance policy or insurance contract in  
19 this state, ~~including CompSource,~~ and also includes health  
20 maintenance organizations. Provided that, for the purposes of  
21 paragraphs 15 and 16 of Section 1250.5 of this title, "insurer"  
22 shall include the State and Education Employees Group Insurance  
23 Board;

24

1       8. "Investigation" means all activities of an insurer directly  
2 or indirectly related to the determination of liabilities under  
3 coverages afforded by an insurance policy or insurance contract;

4       9. "Notification of claim" means any notification, whether in  
5 writing or other means acceptable under the terms of an insurance  
6 policy or insurance contract, to an insurer or its agent, by a  
7 claimant, which reasonably apprises the insurer of the facts  
8 pertinent to a claim;

9       10. "Preauthorization/precertification" means a determination  
10 by a health benefit plan, based on the information presented at the  
11 time by the health care provider, that health care services proposed  
12 by the health care provider are medically necessary. The term shall  
13 include "authorization", "certification" and any other term that  
14 would be a reliable determination by a health benefit plan. A  
15 preauthorization/precertification from a previous health plan shall  
16 not bind a succeeding health benefit plan;

17       11. "Third party claimant" means any individual, corporation,  
18 association, partnership, or other legal entity asserting a claim  
19 against any individual, corporation, association, partnership, or  
20 other legal entity insured under an insurance policy or insurance  
21 contract; and

22       12. "Verification of eligibility" means a representation by a  
23 health benefit plan to a health care provider that a claimant is  
24 entitled to covered benefits under the policy. Such verification of

1 eligibility shall be valid for four (4) business days from the date  
2 given by the health benefit plan.

3 SECTION 20. AMENDATORY 36 O.S. 2011, Section 1250.4, is  
4 amended to read as follows:

5 Section 1250.4. A. An insurer's claim files, ~~other than the~~  
6 ~~claim files of the State Insurance Fund,~~ shall be subject to  
7 examination by the Insurance Commissioner or by duly appointed  
8 designees. Such files shall contain all notes and work papers  
9 pertaining to a claim in such detail that pertinent events and the  
10 dates of such events can be reconstructed. In addition, the  
11 Insurance Commissioner, authorized employees and examiners shall  
12 have access to any of an insurer's files that may relate to a  
13 particular complaint under investigation or to an inquiry or  
14 examination by the Insurance Department.

15 B. Every agent, adjuster, administrator, insurance company  
16 representative, or insurer, ~~other than the State Insurance Fund and~~  
17 ~~its representatives,~~ upon receipt of any inquiry from the  
18 Commissioner shall, within thirty (30) days from the date of the  
19 inquiry, furnish the Commissioner with an adequate response to the  
20 inquiry.

21 C. Every insurer, upon receipt of any pertinent written  
22 communication including but not limited to e-mail or other forms of  
23 written electronic communication, or documentation by the insurer of  
24 a verbal communication from a claimant which reasonably suggests

1 that a response is expected, shall, within thirty (30) days after  
2 receipt thereof, furnish the claimant with an adequate response to  
3 the communication.

4 D. Any violation by an insurer of this section shall subject  
5 the insurer to discipline including a civil penalty of not less than  
6 One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars  
7 (\$5,000.00).

8 SECTION 21. AMENDATORY 36 O.S. 2011, Section 1250.9, is  
9 amended to read as follows:

10 Section 1250.9. A. If the Insurance Commissioner determines,  
11 based on an investigation of complaints of unfair claim settlement  
12 practices, that an insurer, ~~other than the State Insurance Fund,~~ has  
13 engaged in unfair claim settlement practices with such frequency as  
14 to indicate a general business practice and that such insurer should  
15 be subjected to closer supervision with respect to such practices,  
16 the Commissioner may require the insurer to file a report at such  
17 periodic intervals as the Commissioner deems necessary. The  
18 Commissioner shall also devise a statistical plan for such periodic  
19 reports, which shall contain but not be limited to the following  
20 information:

21 1. The total number of written claims filed, including the  
22 original amount filed for by the insured and the classification by  
23 line of insurance of each individual written claim, for the past  
24

1 twelve-month period or from the date of the insurer's last periodic  
2 report, whichever time is shorter;

3 2. The total number of written claims denied, for the past  
4 twelve-month period or from the date of the insurer's last periodic  
5 report, whichever time is shorter;

6 3. The total number of written claims settled, including the  
7 original amount filed for by the insured, the settled amount, and  
8 the classification of line of insurance of each individual settled  
9 claim, for the past twelve-month period or from the date of the  
10 insurer's last periodic report, whichever time is shorter;

11 4. The total number of written claims for which lawsuits were  
12 instituted against the insurer, including the original amount of the  
13 claim filed for by the insured, the amount of final adjudication,  
14 the reason for the lawsuit and the classification by line of  
15 insurance of each individual written claim, for the past twelve-  
16 month period or from the date of the insurer's last periodic report,  
17 whichever time is shorter; and

18 5. All information required by paragraph 12 of Section 1250.5  
19 of this title.

20 B. For the purposes of this section, "written claims" means  
21 those claims reduced to writing and filed by a resident of this  
22 state with an insurer.

23 SECTION 22. AMENDATORY 36 O.S. 2011, Section 1250.10, is  
24 amended to read as follows:

1 Section 1250.10. A. The Insurance Commissioner may hire  
2 additional employees and examiners as needed for the enforcement of  
3 the provisions of the Unfair Claims Settlement Practices Act.

4 B. The Commissioner shall compile the information received from  
5 an insurer pursuant to Section 1250.9 of this title in such a manner  
6 as to enable him or her to compare it to a minimum standard of  
7 performance which shall be promulgated by the Commissioner. If the  
8 Commissioner, after such comparison is made, finds that the insurer  
9 falls below the minimum standard of performance, ~~he~~ the Commissioner  
10 shall cause an investigation to be made of ~~said~~ the insurer as to  
11 the reason, if any, for the substandard performance.

12 C. The Commissioner shall also provide for the receiving and  
13 processing of individual complaints alleging violations of the  
14 Unfair Claims Settlement Practices Act by both insurers who are  
15 required to make periodic reports and those who are not required to  
16 make such reports, ~~but not by the State Insurance Fund~~. If the  
17 Commissioner in his or her complaint experience determines that the  
18 number and type of complaints against an insurer, ~~other than the~~  
19 ~~State Insurance Fund~~, do not meet the minimum standard of  
20 performance or are out of proportion to those against other insurers  
21 writing similar lines of insurance, the Commissioner shall cause an  
22 investigation to be made of the insurer.

23 SECTION 23. AMENDATORY 36 O.S. 2011, Section 1250.11, is  
24 amended to read as follows:

1 Section 1250.11. ~~A.~~ Upon the receipt of the results of an  
2 investigation instituted pursuant to the provisions of Section  
3 1250.10 of this title, the Insurance Commissioner shall review the  
4 results and shall determine whether, by the standards set out in  
5 Sections 1250.3 and 1250.5 of this title, further action is  
6 required. If the Insurance Commissioner deems further action  
7 necessary, the Commissioner shall issue and serve upon the insurer a  
8 statement of the charges and a notice in accordance with the  
9 Administrative Procedures Act. No insurer shall be deemed in  
10 violation of the Unfair Claims Settlement Practices Act solely by  
11 reason of the numbers and types of such complaints or claims.

12 ~~B. The Insurance Commissioner shall not assert enforcement~~  
13 ~~jurisdiction pursuant to this section over the State Insurance Fund.~~

14 SECTION 24. AMENDATORY 36 O.S. 2011, Section 1250.13, is  
15 amended to read as follows:

16 Section 1250.13. A. The Insurance Commissioner, upon finding  
17 an insurer, ~~other than the State Insurance Fund,~~ in violation of any  
18 provision of the Unfair Claims Settlement Practices Act, shall issue  
19 a cease and desist order to ~~said~~ the insurer directing it to stop  
20 such unlawful practices. If the insurer refuses or fails to comply  
21 with ~~said~~ the order, the Commissioner shall have the authority to  
22 revoke or suspend the insurer's certificate of authority. The  
23 Commissioner shall also have the authority to limit, regulate, and  
24 control the insurer's line of business, the insurer's writing of

1 policy forms or other particular forms, and the insurer's volume of  
2 its line of business or its writing of policy forms or other  
3 particular forms. The Commissioner shall use the above authority to  
4 the extent deemed necessary to obtain the insurer's compliance with  
5 the order. The Attorney General shall offer his or her assistance  
6 if requested by the Commissioner to enforce the Commissioner's  
7 orders.

8 B. Reasonable ~~attorneys~~ attorney fees shall be awarded the  
9 Commissioner if judicial action is necessary for the enforcement of  
10 the orders. Such fees shall be based upon those prevailing in the  
11 community. Fees collected by the Commissioner without the  
12 assistance of the Attorney General shall be credited to the  
13 Insurance Commissioner's Revolving Fund. Fees collected by the  
14 Attorney General shall be credited to the Attorney General's  
15 Revolving Fund.

16 SECTION 25. AMENDATORY 36 O.S. 2011, Section 1250.14, is  
17 amended to read as follows:

18 Section 1250.14. For any violation of the Unfair Claims  
19 Settlement Practices Act, the Insurance Commissioner may, after  
20 notice and hearing, subject an insurer, ~~other than the State~~  
21 ~~Insurance Fund,~~ to a civil penalty of not less than One Hundred  
22 Dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00)  
23 for each occurrence. Such civil penalty may be enforced in the same  
24 manner in which civil judgments may be enforced.

1 SECTION 26. AMENDATORY 36 O.S. 2011, Section 1442, is  
2 amended to read as follows:

3 Section 1442. As used in the Third-party Administrator Act,  
4 ~~Section 1441 et seq. of this title:~~

5 1. "Administrator" means any person who collects premiums for  
6 an insurer or trust or who adjusts or settles claims for an insurer  
7 or trust, in connection with life or health insurance coverage,  
8 annuities or employee benefit stop loss in this state, but shall not  
9 include any person who collects premiums or who adjusts or settles  
10 claims under the following circumstances:

- 11 a. any employer on behalf of the employees of that  
12 employer or the employees of one or more subsidiary or  
13 affiliated corporations of that employer,
- 14 b. a union on behalf of its members,
- 15 c. an insurance company which is licensed to transact  
16 insurance business in this state,
- 17 d. a wholly owned subsidiary of an entity which is  
18 subject to the jurisdiction of the Insurance  
19 Commissioner,
- 20 e. an insurance company acting as an insurer with respect  
21 to a policy lawfully issued and delivered by ~~said~~ the  
22 company in and pursuant to the laws of this state,
- 23 f. a hospital, medical, dental, or optometric service  
24 corporation or a health care service organization,

1 including their agents, authorized by the Commissioner  
2 to issue contracts in this state pursuant to the  
3 provisions of the Oklahoma Insurance Code when engaged  
4 in the performance of their duties,

5 g. a life or disability agent or broker who is licensed  
6 in this state and whose activities are limited  
7 exclusively to the sale of insurance,

8 h. an adjuster licensed in this state for the kinds of  
9 business for which he or she is acting as an adjuster,

10 i. a creditor insuring a debt between the creditor and  
11 its debtors on behalf of ~~said~~ the creditor's debtors,

12 j. a financial institution which is subject to  
13 supervision or examination by federal or state banking  
14 authorities,

15 k. a company which issues credit cards and advances  
16 credit for and collects premiums or charges from its  
17 credit card holders who have authorized ~~said~~ the  
18 collection, if the company does not adjust or settle  
19 claims,

20 l. a person who adjusts or settles claims in the normal  
21 course of practice or employment as an attorney-at-law  
22 and who does not collect charges or premiums in  
23 connection with life or health insurance coverage or  
24 annuities,

1           m. ~~the State Insurance Fund,~~

2           ~~n.~~ any workers' compensation trust, or

3           ~~o.~~

4           n. a trust providing benefits to the employees of any  
5           political subdivision of a city, county or the state;

6           and

7           2. "Trust" means any trust other than those exempted in  
8 paragraph 1 of this section which engages in the business of making  
9 contracts of insurance.

10          SECTION 27.           AMENDATORY           36 O.S. 2011, Section 6701, is  
11 amended to read as follows:

12          Section 6701. A. ~~1.~~ By January 1, 1996, each insurance  
13 company that provides workers' compensation insurance or an  
14 equivalent insurance product in this state shall maintain or provide  
15 workplace safety services for its policyholders as a condition for  
16 approval by the Insurance Commissioner to write such insurance.  
17 Such services shall be adequate to implement workplace safety plans  
18 as required by the nature of its policyholders' operations and shall  
19 include but not be limited to surveys, recommendations, training  
20 programs, consultations, analyses of accident causes, industrial  
21 hygiene, and industrial health services.

22          ~~2. The State Insurance Fund shall maintain or provide workplace~~  
23 ~~safety services for its policyholders. Such safety services shall~~  
24 ~~be adequate to implement workplace safety plans as required by the~~

1 ~~nature of its policyholders' operations and shall include but not be~~  
2 ~~limited to surveys, recommendations, training programs,~~  
3 ~~consultations, analyses of accident causes, industrial hygiene, and~~  
4 ~~industrial health services.~~

5 B. Notice that workplace safety services are available to the  
6 policyholder from the insurance company and the State Insurance Fund  
7 must appear in no less than ten (10) point bold type on the front of  
8 each workers' compensation insurance or equivalent insurance policy  
9 delivered or issued for delivery in this state.

10 SECTION 28. AMENDATORY 40 O.S. 2011, Section 417, is  
11 amended to read as follows:

12 Section 417. (1) To assure the availability of accurate, timely  
13 statistical data concerning occupational health and safety in  
14 Oklahoma, all employers as defined in Section 402 of this title  
15 shall submit reports, on a form and in a manner prescribed by the  
16 Commissioner of Labor. Reports shall include only those injuries  
17 arising from employment within the State of Oklahoma.

18 (2) The Department may exempt from this requirement those  
19 classes of employers for whose operations adequate records of safety  
20 experience are already available or the Department may exempt any  
21 employer from this requirement when, in the judgment of the  
22 Commissioner, the submission of annual reports by such employer is  
23 not necessary to carry out the purposes of this act and would be an  
24

1 undue burden upon such employer because of size, the nature of its  
2 operation or other special circumstances.

3 (3) The Department shall publish each year a detailed summary of  
4 the statistical data received from employers. A copy of such  
5 summary shall be available on request to each reporting  
6 establishment required to file reports of disabling work injuries  
7 and shall be made available to anyone having a legitimate interest  
8 in the subject matter of the report.

9 ~~(4) Upon publication of the annual summary, the Commissioner of~~  
10 ~~Labor shall provide to the CompSource Oklahoma President and Chief~~  
11 ~~Executive Officer, upon request, the reports of each employer~~  
12 ~~subject to the provisions of this section, and any derivation,~~  
13 ~~tables or analysis generated by the Department of Labor in the~~  
14 ~~preparation of such summary.~~

15 SECTION 29. AMENDATORY 40 O.S. 2011, Section 418, is  
16 amended to read as follows:

17 Section 418. (1) Each insurance carrier writing workers'  
18 compensation insurance in this state, ~~the State Insurance Fund~~ and  
19 each self-insured employer authorized to make workers' compensation  
20 payments directly to employees shall pay to the Oklahoma Tax  
21 Commission up to a sum equal to three-fourths of one percent (3/4 of  
22 1%) of the total workers' compensation losses, excluding medical  
23 payments and temporary total disability compensation, based on the  
24 records of the Workers' Compensation Court, paid out or payable

1 during each quarter-year period of the calendar year, ~~said the~~  
2 percentage to be fixed by the Commissioner and based upon his or her  
3 certification that the proceeds thereof are reasonable and necessary  
4 to accomplish the objectives of ~~Section 401 et seq. of this title~~  
5 the Oklahoma Occupational Health and Safety Standards Act. Such  
6 payments to the ~~Oklahoma~~ Tax Commission shall be made not later than  
7 the fifteenth day of the month following the close of the quarter-  
8 year in which compensation is paid or becomes payable. Payments  
9 made, under the provisions of this section, shall be considered  
10 losses for the purpose of computing workers' compensation rates.

11 (2) The refund provisions of ~~Title 68 of the Oklahoma Statutes,~~  
12 Sections 227 through 229, of Title 68 of the Oklahoma Statutes shall  
13 be applicable to any payments made under the provisions of this act.

14 (3) In making and entering awards for compensation, the Workers'  
15 Compensation Court shall determine and fix the amounts that shall be  
16 paid to the ~~Oklahoma~~ Tax Commission under the provisions of this  
17 section. The total amount so determined and fixed shall have the  
18 same force and effect as an award of the Workers' Compensation Court  
19 for compensation and all provisions relating to the collection of  
20 awards of ~~said the~~ court shall apply to such judgments.

21 (4) It shall be the duty of the ~~Oklahoma~~ Tax Commission to  
22 collect the payments provided for herein, and ~~said the~~ Commission is  
23 hereby given authority to bring an action for the recovery of any  
24 delinquent and unpaid payment or payments. In the alternative, the

1 ~~Oklahoma~~ Tax Commission may enforce payments by proceeding in  
2 accordance with the provisions of Section 42 of Title 85 of the  
3 Oklahoma Statutes.

4 (5) The ~~Oklahoma~~ Tax Commission shall, monthly, as the same are  
5 collected, pay to the State Treasurer of this state, to the credit  
6 of the Special Occupational Health and Safety Fund, all monies  
7 collected under the provisions of this section. Monies shall be  
8 paid out of ~~said~~ the Fund exclusively for the operation and  
9 administration of ~~Section 401 et seq. of this title~~ the Oklahoma  
10 Occupational Health and Safety Standards Act and for other necessary  
11 expenses of the Department of Labor pursuant to appropriations by  
12 the Oklahoma Legislature.

13 (6) The Commissioner shall determine the needs of the program,  
14 considering statistical data on disabling work injuries, depth and  
15 scope of the program as evidenced by the needs and demands of  
16 employers and the present, planned and anticipated budgetary needs  
17 of the program, and submit same to the Legislature.

18 SECTION 30. AMENDATORY 47 O.S. 2011, Section 157.1, is  
19 amended to read as follows:

20 Section 157.1. The Department of Transportation, the Board of  
21 Agriculture, and the Department of Human Services of the state are  
22 hereby authorized to carry insurance on vehicles, motorized  
23 machinery, or equipment owned and operated by the Department of  
24 Transportation, the Board of Agriculture, and the Department of

1 Human Services, such insurance to be of the following kinds and in  
2 amounts not exceeding the following:

3 (a) bodily injury liability, One Hundred Thousand Dollars  
4 (\$100,000.00) each person, Three Hundred Thousand Dollars  
5 (\$300,000.00) each accident;

6 (b) property damage liability, Fifty Thousand Dollars  
7 (\$50,000.00) each accident;

8 (c) medical and hospital insurance, Five Thousand Dollars  
9 (\$5,000.00).

10 Such insurance shall be on standard policy forms approved by the  
11 State Insurance Commissioner and with companies authorized to do  
12 business in Oklahoma, and shall be paid for out of administrative  
13 funds of such departments. Such insurance may cover not only the  
14 department or state agency purchasing the insurance but also the  
15 personal liability of the operator. The ownership, maintenance,  
16 operation and use of motor vehicles and motorized movable equipment  
17 owned, leased, used or operated by such departments or state  
18 agencies named in this section is hereby declared to be a public  
19 governmental function. An action for damages may be brought against  
20 such department or state agency, but the governmental immunity of  
21 such department or state agency shall be waived only to the extent  
22 of the amount of insurance purchased. Such department or state  
23 agency shall be liable for negligence only while such insurance is  
24 in force, but in no case in any amount exceeding the limits of

1 coverage of any such insurance policy. No attempt shall be made in  
2 the trial of any action brought against any such department or state  
3 agency to suggest the existence of any insurance which covers in  
4 whole or in part any judgment or award which may be rendered in  
5 favor of the plaintiff, and if the verdict rendered by the jury  
6 exceeds the limits of the applicable insurance, the court shall  
7 reduce the amount of ~~said~~ the judgment or award to a sum equal to  
8 the applicable limits stated in the policy. To the extent that the  
9 insurer has provided indemnity in the contract of insurance to a  
10 department or state agency described in this section, the said  
11 insurer may not plead as a defense in any action involving insurance  
12 purchased by the authority of this section, the governmental  
13 immunity of either the state or of any department or agency thereof  
14 purchasing insurance pursuant to this section. Venue of all actions  
15 provided for herein shall be in the county of the residence of the  
16 plaintiff or where the cause of action arose, but summons may be  
17 served upon the director, head or governing board or body of the  
18 department or state agency being sued and alleged to come within the  
19 purview of this section, wherever ~~he~~ the person may be found. ~~If~~  
20 ~~the State Insurance Fund is hereafter authorized to write such~~  
21 ~~insurance, then the Department of Transportation, the Board of~~  
22 ~~Agriculture, and the Department of Human Services shall obtain the~~  
23 ~~insurance from the State Insurance Fund, if said State Insurance~~  
24 ~~Fund is the lowest bid, after taking into account the premium tax~~

1 ~~being paid by any other bidder.~~ Such policies shall be filed in the  
 2 office of the Secretary of State as a public record.

3 SECTION 31. AMENDATORY 74 O.S. 2011, Section 85.29, as  
 4 amended by Section 750, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
 5 2012, Section 85.29), is amended to read as follows:

6 Section 85.29. The amount of surety required for each state  
 7 officer or employee pursuant to Sections 85.26 through 85.31 of this  
 8 title is as follows:

9 DEPARTMENT	AMOUNT OF BOND
10 Office of the State Treasurer	\$300,000.00
11 Oklahoma Employment Security	
12 Commission	\$150,000.00
13 Central Services Division of the	
14 Office of Management and Enterprise	
15 Services	100,000.00
16 Insurance Commission	100,000.00
17 Office of the State Auditor and	
18 Inspector	50,000.00
19 Finance Division of the Office of	
20 Management and Enterprise Services	50,000.00
21 Bank Commissioner	50,000.00
22 <del>CompSource Oklahoma President and</del>	
23 <del>Chief Executive Officer</del>	<del>50,000.00</del>
24 Commissioners of the Land Office	50,000.00

1	Oklahoma Securities Commission	50,000.00
2	Oklahoma Tax Commission	50,000.00
3	Department of Human Services	50,000.00
4	Oklahoma Public Employees Retirement	
5	System	50,000.00
6	Corporation Commission	50,000.00
7	State Board of Education	50,000.00
8	Finance Division	150,000.00
9	All Others	25,000.00
10	Department of Transportation	25,000.00
11	Boards of Regents of Oklahoma	
12	Universities and Colleges	50,000.00
13	Office of Attorney General	10,000.00
14	The University Hospitals	50,000.00
15	All Other State Departments, Agencies,	
16	Institutions, Commissions,	
17	Authorities, and other bodies of	
18	state government	10,000.00

19       Provided, however, that nothing in The Oklahoma Central  
20 Purchasing Act shall prohibit any head of a department, institution,  
21 agency, commission, authority or other body of state government from  
22 requiring the Central Purchasing Division to purchase increased  
23 amounts of blanket bond coverage for his or her employees up to a  
24 total maximum coverage of Fifty Thousand Dollars (\$50,000.00) when

1 the listed amount is deemed inadequate. The cost of increased  
2 coverage shall be borne by the department, institution, agency,  
3 commission, authority or other body of state government requesting  
4 the increased coverage.

5 SECTION 32. AMENDATORY 74 O.S. 2011, Section 85.58A, as  
6 amended by Section 782, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
7 2012, Section 85.58A), is amended to read as follows:

8 Section 85.58A. A. The Office of Management and Enterprise  
9 Services shall establish for all state agencies, whether or not  
10 subject to The Central Purchasing Act, and other entities as  
11 provided by law a comprehensive professional risk management program  
12 which shall:

13 1. Identify and evaluate risks of loss and exposures to loss to  
14 officers, employees and properties;

15 2. Minimize risks through loss-prevention and loss-control  
16 programs;

17 3. Transfer risks, if economically advantageous to the state,  
18 by acquiring commercial insurance, contractual pass through of  
19 liability, or by other means;

20 4. Consolidate and administer risk management plans and  
21 programs including self-insurance programs, except Workers'  
22 Compensation Insurance and State Employees Group Insurance;

23

24

1 5. Determine feasibility of and, if feasible, establish self-  
2 insurance programs, considering whether a program may be self-  
3 supporting to remain financially and actuarially sound;

4 6. Provide a system to allocate insurance and program costs to  
5 determine payment for insurance coverage and program expenses  
6 provided by the Office of Management and Enterprise Services;

7 7. When requested by a state retirement system, ~~CompSource~~  
8 ~~Oklahoma~~ or the State and Education Employees Group Insurance Board,  
9 assist in obtaining insurance authorized by law. If requested by  
10 the Oklahoma State Regents for Higher Education, assist trust funds  
11 for which the State Regents serve as trustees in obtaining insurance  
12 authorized by law;

13 8. Assist state agencies and officers, employees, and members  
14 thereof, charged with licensing authority, in obtaining insurance  
15 for liability for judgments, based on the licensing authority,  
16 rendered by any court pursuant to federal law;

17 9. When requested by a public trust established pursuant to  
18 Title 60 of the Oklahoma Statutes of which the State of Oklahoma is  
19 the beneficiary, obtain, provide or assist the public trust in  
20 obtaining insurance authorized by law or trust indenture covering  
21 any board member, trustee, official, officer, employee or volunteer  
22 for errors and omissions or liability risks arising from the  
23 performance of official duties pursuant to law or trust indenture;  
24 and

1       10. When requested by the Oklahoma State Regents for Higher  
2 Education, for the purpose of insuring real property required  
3 pursuant to Section 4018 of Title 70 of the Oklahoma Statutes, of  
4 which the Oklahoma State Regents for Higher Education is the  
5 beneficiary, obtain, provide or assist the Oklahoma State Regents  
6 for Higher Education in obtaining insurance for the real property  
7 pursuant to the provisions of this section.

8       B. The Director of the Office of Management and Enterprise  
9 Services may hire or contract for the services of a Risk Management  
10 Administrator to supervise the Comprehensive Professional Risk  
11 Management Program established pursuant to this section. If  
12 appointed by the Director as a state employee, the Risk Management  
13 Administrator shall be in the unclassified service.

14       C. The Risk Management Administrator shall evaluate insurance  
15 coverage needs and in force for state agencies, whether or not  
16 subject to The Central Purchasing Act, and other entities as  
17 provided by law. All entities shall submit to the Risk Management  
18 Administrator all information which the Risk Management  
19 Administrator deems necessary to perform this duty.

20       D. The Risk Management Administrator in conjunction with the  
21 State Purchasing Director under the authority of the Director of the  
22 Office of Management and Enterprise Services may negotiate insurance  
23 coverage and insurance-related services, including, but not limited  
24 to, insurance brokerage and consulting services. The State

1 Purchasing Director shall ensure open processes for solicitation and  
2 qualification of insurance coverage and services providers. The  
3 State Purchasing Director shall award contracts for insurance  
4 coverage and services to the provider or providers which offer the  
5 best and final terms and conditions. The State Purchasing Director  
6 may authorize the Risk Management Administrator to bind for  
7 insurance coverage with providers.

8 E. The school districts of this state may request the Risk  
9 Management Administrator to advise for the purchase of insurance  
10 coverage for the school districts.

11 F. A state agency, whether or not subject to The Central  
12 Purchasing Act, that contemplates purchase of property and casualty  
13 insurance, shall provide details of the proposed purchase to the  
14 Risk Management Administrator for approval or disapproval prior to  
15 the purchase.

16 G. The Director of the Office of Management and Enterprise  
17 Services shall promulgate rules to effect the provisions of the  
18 comprehensive professional risk management program.

19 H. 1. a. Any community action agency established pursuant to  
20 Sections 5035 through 5040 of this title may  
21 participate in the comprehensive professional risk  
22 management program established pursuant to this  
23 section for risks incurred as a result of operating a  
24 Head Start program or providing transportation

1 services to the public. The Risk Management  
2 Administrator shall obtain or provide for insurance  
3 coverage for such community action agencies or bonding  
4 for employees of such community action agencies. Any  
5 liability insurance coverage obtained or provided  
6 shall include expenses for administrative and legal  
7 services obtained or provided by the Risk Management  
8 Administrator.

9 b. The Risk Management Administrator shall determine  
10 criteria for participation in the risk management  
11 program by such community action agencies. In  
12 addition, the Risk Management Administrator may  
13 require each such community action agency to:

- 14 (1) provide adequate qualified personnel and suitable  
15 facilities and equipment for operating a Head  
16 Start program or providing transportation  
17 services to the public, and
- 18 (2) comply with such standards as are necessary for  
19 the protection of the clients it serves.

20 2. To receive coverage pursuant to this section, a community  
21 action agency shall make payments for any insurance coverage and  
22 shall otherwise comply with the provisions of this section and rules  
23 promulgated by the Office pursuant to the provisions of this  
24 section.

1           3. Requests for the insurance coverage provided pursuant to the  
2 provisions of this subsection shall be submitted in writing to the  
3 Risk Management Administrator by the community action agencies.

4           I. The Risk Management Administrator may provide or obtain for  
5 any state agency, public trust with the state as a beneficiary and a  
6 director, officer, employee or member thereof, insurance for  
7 liability for loss, including judgments, awards, settlements, costs  
8 and legal expenses, resulting from violations of rights or  
9 privileges secured by the Constitution or laws of the United States  
10 of America which occur while a director, officer, employee or member  
11 is acting within the scope of service to the State of Oklahoma. The  
12 insurance shall be for coverage in excess of the limits on liability  
13 established by The Governmental Tort Claims Act but shall not limit  
14 or waive any immunities now or hereafter available to the State of  
15 Oklahoma or any state agency, any public trust with the state as a  
16 beneficiary, or any director, officer, employee or member thereof,  
17 including, but not limited to, any immunities under the Eleventh  
18 Amendment to the Constitution of the United States, state sovereign  
19 immunity, and any absolute or qualified immunity held by any  
20 director, officer, employee or member.

21           SECTION 33.           AMENDATORY           74 O.S. 2011, Section 902, is  
22 amended to read as follows:

23           Section 902. As used in Section 901 et seq. of this title:  
24

1 (1) "System" means the Oklahoma Public Employees Retirement  
2 System as established by this act and as it may hereafter be  
3 amended;

4 (2) "Accumulated contributions" means the sum of all  
5 contributions by a member to the System which shall be credited to  
6 the member's account;

7 (3) "Act" means Sections 901 to 932, inclusive, of this title;

8 (4) "Actuarial equivalent" means a deferred income benefit of  
9 equal value to the accumulated deposits or benefits when computed  
10 upon the basis of the actuarial tables in use by the System;

11 (5) "Actuarial tables" means the actuarial tables approved and  
12 in use by the Board at any given time;

13 (6) "Actuary" means the actuary or firm of actuaries employed  
14 by the Board at any given time;

15 (7) "Beneficiary" means any person named by a member to receive  
16 any benefits as provided for by Section 901 et seq. of this title.  
17 If there is no beneficiary living at time of member employee's  
18 death, the member's estate shall be the beneficiary;

19 (8) "Board" means the Oklahoma Public Employees Retirement  
20 System Board of Trustees;

21 (9) "Compensation" means all salary and wages, as defined by  
22 the Board of Trustees, including amounts deferred under deferred  
23 compensation agreements entered into between a member and a  
24 participating employer, but exclusive of payment for overtime,

1 payable to a member of the System for personal services performed  
2 for a participating employer but shall not include compensation or  
3 reimbursement for traveling, or moving expenses, or any compensation  
4 in excess of the maximum compensation level, provided:

5 (a) For compensation for service prior to January 1, 1988,  
6 the maximum compensation level shall be Twenty-five  
7 Thousand Dollars (\$25,000.00) per annum.

8 For compensation for service on or after January 1,  
9 1988, through June 30, 1994, the maximum compensation  
10 level shall be Forty Thousand Dollars (\$40,000.00) per  
11 annum.

12 For compensation for service on or after July 1, 1994,  
13 through June 30, 1995, the maximum compensation level  
14 shall be Fifty Thousand Dollars (\$50,000.00) per  
15 annum; for compensation for service on or after July  
16 1, 1995, through June 30, 1996, the maximum

17 compensation level shall be Sixty Thousand Dollars  
18 (\$60,000.00) per annum; for compensation for service  
19 on or after July 1, 1996, through June 30, 1997, the  
20 maximum compensation level shall be Seventy Thousand  
21 Dollars (\$70,000.00) per annum; and for compensation  
22 for service on or after July 1, 1997, through June 30,  
23 1998, the maximum compensation level shall be Eighty  
24 Thousand Dollars (\$80,000.00) per annum. For

1 compensation for services on or after July 1, 1998,  
2 there shall be no maximum compensation level for  
3 retirement purposes.

4 (b) Compensation for retirement purposes shall include any  
5 amount of elective salary reduction under Section 457  
6 of the Internal Revenue Code of 1986 and any amount of  
7 nonelective salary reduction under Section 414(h) of  
8 the Internal Revenue Code of 1986.

9 (c) Notwithstanding any provision to the contrary, the  
10 compensation taken into account for any employee in  
11 determining the contribution or benefit accruals for  
12 any plan year is limited to the annual compensation  
13 limit under Section 401(a)(17) of the federal Internal  
14 Revenue Code.

15 (d) Current appointed members of the Oklahoma Tax  
16 Commission whose salary is constitutionally limited  
17 and is less than the highest salary allowed by law for  
18 his or her position shall be allowed, within ninety  
19 (90) days from the effective date of this act, to make  
20 an election to use the highest salary allowed by law  
21 for the position to which the member was appointed for  
22 the purposes of making contributions and determination  
23 of retirement benefits. Such election shall be  
24 irrevocable and be in writing. Reappointment to the

1 same office shall not permit a new election. Members  
2 appointed to the Oklahoma Tax Commission after ~~the~~  
3 ~~effective date of this act~~ March 21, 2001, shall make  
4 such election, pursuant to this subparagraph, within  
5 ninety (90) days of taking office;

6 (10) "Credited service" means the sum of participating service,  
7 prior service and elected service;

8 (11) "Dependent" means a parent, child, or spouse of a member  
9 who is dependent upon the member for at least one-half (1/2) of the  
10 member's support;

11 (12) "Effective date" means the date upon which the System  
12 becomes effective by operation of law;

13 (13) "Eligible employer" means the state and any county, county  
14 hospital, city or town, conservation districts, circuit engineering  
15 districts and any public or private trust in which a county, city or  
16 town participates and is the primary beneficiary is to be an  
17 eligible employer for the purpose of this act only, whose employees  
18 are covered by Social Security and are not covered by or eligible  
19 for another retirement plan authorized under the laws of this state  
20 which is in operation on the initial entry date. Emergency medical  
21 service districts may join the System upon proper application to the  
22 Board. Provided affiliation by a county hospital shall be in the  
23 form of a resolution adopted by the board of control.

1 (a) If a class or several classes of employees of any  
2 above-defined employers are covered by Social Security  
3 and are not covered by or eligible for and will not  
4 become eligible for another retirement plan authorized  
5 under the laws of this state, which is in operation on  
6 the effective date, such employer shall be deemed an  
7 eligible employer, but only with respect to that class  
8 or those classes of employees as defined in this  
9 section.

10 (b) A class or several classes of employees who are  
11 covered by Social Security and are not covered by or  
12 eligible for and will not become eligible for another  
13 retirement plan authorized under the laws of this  
14 state, which is in operation on the effective date,  
15 and when the qualifications for employment in such  
16 class or classes are set by state law; and when such  
17 class or classes of employees are employed by a county  
18 or municipal government pursuant to such  
19 qualifications; and when the services provided by such  
20 employees are of such nature that they qualify for  
21 matching by or contributions from state or federal  
22 funds administered by an agency of state government  
23 which qualifies as a participating employer, then the  
24 agency of state government administering the state or

1 federal funds shall be deemed an eligible employer,  
2 but only with respect to that class or those classes  
3 of employees as defined in this subsection; provided,  
4 that the required contributions to the retirement plan  
5 may be withheld from the contributions of state or  
6 federal funds administered by the state agency and  
7 transmitted to the System on the same basis as the  
8 employee and employer contributions are transmitted  
9 for the direct employees of the state agency. The  
10 retirement or eligibility for retirement under the  
11 provisions of law providing pensions for service as a  
12 volunteer fire fighter shall not render any person  
13 ineligible for participation in the benefits provided  
14 for in Section 901 et seq. of this title. An employee  
15 of any public or private trust in which a county, city  
16 or town participates and is the primary beneficiary  
17 shall be deemed to be an eligible employee for the  
18 purpose of this act only.

19 (c) All employees of the George Nigh Rehabilitation  
20 Institute who elected to retain membership in the  
21 System, pursuant to Section 913.7 of this title, shall  
22 continue to be eligible employees for the purposes of  
23 this act. The George Nigh Rehabilitation Institute  
24

1 shall be considered a participating employer only for  
2 such employees.

3 (d) All employees of CompSource Oklahoma Mutual Insurance  
4 Company who retain membership in the System, pursuant  
5 to Section 913.9 of this title, shall continue to be  
6 eligible employees for the purposes of this act.  
7 CompSource Oklahoma Mutual Insurance Company shall be  
8 considered a participating employer only for such  
9 employees.

10 (e) A participating employer of the Teachers' Retirement  
11 System of Oklahoma, who has one or more employees who  
12 have made an election pursuant to enabling legislation  
13 to retain membership in the System as a result of  
14 change in administration, shall be considered a  
15 participating employer of the Oklahoma Public  
16 Employees Retirement System only for such employees;

17 (14) "Employee" means any officer or employee of a  
18 participating employer, whose employment is not seasonal or  
19 temporary and whose employment requires at least one thousand  
20 (1,000) hours of work per year and whose salary or wage is equal to  
21 the hourly rate of the monthly minimum wage for state employees.  
22 For those eligible employers outlined in Section 910 of this title,  
23 the rate shall be equal to the hourly rate of the monthly minimum  
24 wage for that employer. Each employer, whose minimum wage is less

1 than the state's minimum wage, shall inform the System of the  
2 minimum wage for that employer. This notification shall be by  
3 resolution of the governing body.

4 (a) Any employee of the county extension agents who is not  
5 currently participating in the Teachers' Retirement  
6 System of Oklahoma shall be a member of this System.

7 (b) Eligibility shall not include any employee who is a  
8 contributing member of the United States Civil Service  
9 Retirement System.

10 (c) It shall be mandatory for an officer, appointee or  
11 employee of the office of district attorney to become  
12 a member of this System if he or she is not currently  
13 participating in a county retirement system. Provided  
14 further, that if an officer, appointee or employee of  
15 the office of district attorney is currently  
16 participating in such county retirement system, he or  
17 she is ineligible for this System as long as he or she  
18 is eligible for such county retirement system. Any  
19 eligible officer, appointee or employee of the office  
20 of district attorney shall be given credit for prior  
21 service as defined in this section. The provisions  
22 outlined in Section 917 of this title shall apply to  
23 those employees who have previously withdrawn their  
24 contributions.

1 (d) Eligibility shall also not include any officer or  
2 employee of the Oklahoma Employment Security  
3 Commission, except for those officers and employees of  
4 the Commission electing to transfer to this System  
5 pursuant to the provisions of Section 910.1 of this  
6 title or any other class of officers or employees  
7 specifically exempted by the laws of this state,  
8 unless there be a consolidation as provided by Section  
9 912 of this title. Employees of the Oklahoma  
10 Employment Security Commission who are ineligible for  
11 enrollment in the Employment Security Commission  
12 Retirement Plan, that was in effect on January 1,  
13 1964, shall become members of this System.

14 (e) Any employee employed by the Legislative Service  
15 Bureau, State Senate or House of Representatives for  
16 the full duration of a regular legislative session  
17 shall be eligible for membership in the System  
18 regardless of classification as a temporary employee  
19 and may participate in the System during the regular  
20 legislative session at the option of the employee.  
21 For purposes of this subparagraph, the determination  
22 of whether an employee is employed for the full  
23 duration of a regular legislative session shall be  
24 made by the Legislative Service Bureau if such

1 employee is employed by the Legislative Service  
2 Bureau, the State Senate if such employee is employed  
3 by the State Senate, or by the House of  
4 Representatives if such employee is employed by the  
5 House of Representatives. Each regular legislative  
6 session during which the legislative employee or an  
7 employee of the Legislative Service Bureau  
8 participates full time shall be counted as six (6)  
9 months of full-time participating service.

10 (i) Except as otherwise provided by this  
11 subparagraph, once a temporary session employee  
12 makes a choice to participate or not, the choice  
13 shall be binding for all future legislative  
14 sessions during which the employee is employed.

15 (ii) Notwithstanding the provisions of division (i) of  
16 this subparagraph, any employee, who is eligible  
17 for membership in the System because of the  
18 provisions of this subparagraph and who was  
19 employed by the State Senate or House of  
20 Representatives after January 1, 1989, may file  
21 an election, in a manner specified by the Board,  
22 to participate as a member of the System prior to  
23 September 1, 1989.

24

1 (iii) Notwithstanding the provisions of division (i) of  
2 this subparagraph, a temporary legislative  
3 session employee who elected to become a member  
4 of the System may withdraw from the System  
5 effective the day ~~said~~ the employee elected to  
6 participate in the System upon written request to  
7 the Board. Any such request must be received by  
8 the Board prior to October 1, 1990. All employee  
9 contributions made by the temporary legislative  
10 session employee shall be returned to the  
11 employee without interest within four (4) months  
12 of receipt of the written request.

13 (iv) A member of the System who did not initially  
14 elect to participate as a member of the System  
15 pursuant to subparagraph (e) of this paragraph  
16 shall be able to acquire service performed as a  
17 temporary legislative session employee for  
18 periods of service performed prior to the date  
19 upon which the person became a member of the  
20 System if:

- 21 a. the member files an election with the System  
22 not later than December 31, 2000, to  
23 purchase the prior service; and  
24

1           b.    the member makes payment to the System of  
2                    the actuarial cost of the service credit  
3                    pursuant to subsection A of Section 913.5 of  
4                    this title.  The provisions of Section 913.5  
5                    of this title shall be applicable to the  
6                    purchase of the service credit, including  
7                    the provisions for determining service  
8                    credit in the event of incomplete payment  
9                    due to cessation of payments, death,  
10                   termination of employment or retirement, but  
11                   the payment may extend for a period not to  
12                   exceed ninety-six (96) months;

13           (15)  "Entry date" means the date on which an eligible employer  
14 joins the System.  The first entry date pursuant to Section 901 et  
15 seq. of this title shall be January 1, 1964;

16           (16)  "Executive Director" means the managing officer of the  
17 System employed by the Board under Section 901 et seq. of this  
18 title;

19           (17)  "Federal Internal Revenue Code" means the federal Internal  
20 Revenue Code of 1954 or 1986, as amended and as applicable to a  
21 governmental plan as in effect on July 1, 1999;

22           (18)  "Final average compensation" means the average annual  
23 compensation, including amounts deferred under deferred compensation  
24 agreements entered into between a member and a participating

1 employer, up to, but not exceeding the maximum compensation levels  
2 as provided in paragraph (9) of this section received during the  
3 highest three (3) of the last ten (10) years of participating  
4 service immediately preceding retirement or termination of  
5 employment. Provided, no member shall retire with a final average  
6 compensation unless the member has made the required contributions  
7 on such compensation, as defined by the Board of Trustees;

8 (19) "Fiscal year" means the period commencing July 1 of any  
9 year and ending June 30 of the next year. The fiscal year is the  
10 plan year for purposes of the federal Internal Revenue Code;  
11 however, the calendar year is the limitation year for purposes of  
12 Section 415 of the federal Internal Revenue Code;

13 (20) "Fund" means the Oklahoma Public Employees Retirement Fund  
14 as created by Section 901 et seq. of this title;

15 (21) "Leave of absence" means a period of absence from  
16 employment without pay, authorized and approved by the employer and  
17 acknowledged to the Board, and which after the effective date does  
18 not exceed two (2) years;

19 (22) "Member" means an eligible employee or elected official  
20 who is in the System and is making the required employee or elected  
21 official contributions, or any former employee or elected official  
22 who shall have made the required contributions to the System and  
23 shall have not received a refund or withdrawal;

24

1 (23) "Military service" means service in the Armed Forces of  
2 the United States by an honorably discharged person during the  
3 following time periods, as reflected on such person's Defense  
4 Department Form 214, not to exceed five (5) years for combined  
5 participating and/or prior service, as follows:

6 (a) during the following periods, including the beginning  
7 and ending dates, and only for the periods served,  
8 from:

9 (i) April 6, 1917, to November 11, 1918, commonly  
10 referred to as World War I,

11 (ii) September 16, 1940, to December 7, 1941, as a  
12 member of the 45th Division,

13 (iii) December 7, 1941, to December 31, 1946, commonly  
14 referred to as World War II,

15 (iv) June 27, 1950, to January 31, 1955, commonly  
16 referred to as the Korean Conflict or the Korean  
17 War,

18 (v) February 28, 1961, to May 7, 1975, commonly  
19 referred to as the Vietnam era, except that:

20 a. for the period from February 28, 1961, to  
21 August 4, 1964, military service shall only  
22 include service in the Republic of Vietnam  
23 during that period, and  
24

1                   b.    for purposes of determining eligibility for  
2                                education and training benefits, such period  
3                                shall end on December 31, 1976, or  
4           (vi)   August 1, 1990, to December 31, 1991, commonly  
5                                referred to as the Gulf War, the Persian Gulf  
6                                War, or Operation Desert Storm, but excluding any  
7                                person who served on active duty for training  
8                                only, unless discharged from such active duty for  
9                                a service-connected disability;

10           (b)   during a period of war or combat military operation  
11                                other than a conflict, war or era listed in  
12                                subparagraph (a) of this paragraph, beginning on the  
13                                date of Congressional authorization, Congressional  
14                                resolution, or Executive Order of the President of the  
15                                United States, for the use of the Armed Forces of the  
16                                United States in a war or combat military operation,  
17                                if such war or combat military operation lasted for a  
18                                period of ninety (90) days or more, for a person who  
19                                served, and only for the period served, in the area of  
20                                responsibility of the war or combat military  
21                                operation, but excluding a person who served on active  
22                                duty for training only, unless discharged from such  
23                                active duty for a service-connected disability, and  
24                                provided that the burden of proof of military service

1           during this period shall be with the member, who must  
2           present appropriate documentation establishing such  
3           service.

4 An eligible member under this paragraph shall include only those  
5 persons who shall have served during the times or in the areas  
6 prescribed in this paragraph, and only if such person provides  
7 appropriate documentation in such time and manner as required by the  
8 System to establish such military service prescribed in this  
9 paragraph, or for service pursuant to subdivision a of division (v)  
10 of subparagraph (a) of this paragraph those persons who were awarded  
11 service medals, as authorized by the United States Department of  
12 Defense as reflected in the veteran's Defense Department Form 214,  
13 related to the Vietnam Conflict for service prior to August 5, 1964;

14       (24) "Normal retirement date" means the date on which a member  
15 may retire with full retirement benefits as provided in Section 901  
16 et seq. of this title, such date being whichever occurs first:

17       (a) the first day of the month coinciding with or  
18       following a member's:

19           (1) sixty-second birthday with respect to members  
20           whose first participating service occurs prior to  
21           November 1, 2011, or

22           (2) sixty-fifth birthday with respect to members  
23           whose first participating service occurs on or  
24           after November 1, 2011, or with respect to

1 members whose first participating service occurs  
2 on or after November 1, 2011, reaches a minimum  
3 age of sixty (60) years and who also reaches a  
4 normal retirement date pursuant to subparagraph c  
5 of this paragraph,

6 (b) for any person who initially became a member prior to  
7 July 1, 1992, and who does not reach a normal  
8 retirement date pursuant to division (1) of  
9 subparagraph (a) of this paragraph, the first day of  
10 the month coinciding with or following the date at  
11 which the sum of a member's age and number of years of  
12 credited service total eighty (80); such a normal  
13 retirement date will also apply to any person who  
14 became a member of the sending system as defined in  
15 Section 901 et seq. of this title, prior to July 1,  
16 1992, regardless of whether there were breaks in  
17 service after July 1, 1992,

18 (c) for any person who became a member after June 30,  
19 1992, but prior to November 1, 2011, and who does not  
20 reach a normal retirement date pursuant to division  
21 (1) of subparagraph (a) of this paragraph, the first  
22 day of the month coinciding with or following the date  
23 at which the sum of a member's age and number of years  
24 of credited service total ninety (90),

1 (d) in addition to subparagraphs (a), (b) and (c) of this  
2 paragraph, the first day of the month coinciding with  
3 or following a member's completion of at least twenty  
4 (20) years of full-time-equivalent employment as:

5 (i) a correctional or probation and parole officer  
6 with the Department of Corrections and at the  
7 time of retirement, the member was a correctional  
8 or probation and parole officer with the  
9 Department of Corrections, or

10 (ii) a correctional officer, probation and parole  
11 officer or fugitive apprehension agent with the  
12 Department of Corrections who is in such position  
13 on June 30, 2004, or who is hired after June 30,  
14 2004, and who receives a promotion or change in  
15 job classification after June 30, 2004, to  
16 another position in the Department of  
17 Corrections, so long as such officer or agent has  
18 at least five (5) years of service as a  
19 correctional officer, probation and parole  
20 officer or fugitive apprehension agent with the  
21 Department, has twenty (20) years of full-time-  
22 equivalent employment with the Department and was  
23 employed by the Department at the time of  
24 retirement, or

1 (iii) a firefighter with the Oklahoma Military  
2 Department either employed for the first time on  
3 or after July 1, 2002, or who was employed prior  
4 to July 1, 2002, in such position and who makes  
5 the election authorized by division (2) of  
6 subparagraph b of paragraph (8) of subsection A  
7 of Section 915 of this title and at the time of  
8 retirement, the member was a firefighter with the  
9 Oklahoma Military Department, and such member has  
10 at least twenty (20) years of credited service  
11 upon which the two and one-half percent (2 1/2%)  
12 multiplier will be used in calculating the  
13 retirement benefit,

14 (e) for those fugitive apprehension agents who retire on  
15 or after July 1, 2002, the first day of the month  
16 coinciding with or following a member's completion of  
17 at least twenty (20) years of full-time-equivalent  
18 employment as a fugitive apprehension agent with the  
19 Department of Corrections and at the time of  
20 retirement, the member was a fugitive apprehension  
21 agent with the Department of Corrections, or

22 (f) for any member who was continuously employed by an  
23 entity or institution within The Oklahoma State System  
24 of Higher Education and whose initial employment with

1           such entity or institution was prior to July 1, 1992,  
2           and who without a break in service of more than thirty  
3           (30) days became employed by an employer participating  
4           in the Oklahoma Public Employees Retirement System,  
5           the first day of the month coinciding with or  
6           following the date at which the sum of the member's  
7           age and number of years of credited service total  
8           eighty (80);

9           (25) "Participating employer" means an eligible employer who  
10          has agreed to make contributions to the System on behalf of its  
11          employees;

12          (26) "Participating service" means the period of employment  
13          after the entry date for which credit is granted a member;

14          (27) "Prior service" means the period of employment of a member  
15          by an eligible employer prior to the member's entry date for which  
16          credit is granted a member under Section 901 et seq. of this title;

17          (28) "Retirant" or "retiree" means a member who has retired  
18          under the System;

19          (29) "Retirement benefit" means a monthly income with benefits  
20          accruing from the first day of the month coinciding with or  
21          following retirement and ending on the last day of the month in  
22          which death occurs or the actuarial equivalent thereof paid in such  
23          manner as specified by the member pursuant to Section 901 et seq. of  
24

1 this title or as otherwise allowed to be paid at the discretion of  
2 the Board;

3 (30) "Retirement coordinator" means the individual designated  
4 by each participating employer through whom System transactions and  
5 communication shall be directed;

6 (31) "Social Security" means the old-age survivors and  
7 disability section of the Federal Social Security Act;

8 (32) "Total disability" means a physical or mental disability  
9 accepted for disability benefits by the Federal Social Security  
10 System;

11 (33) "Service-connected disability benefits" means military  
12 service benefits which are for a service-connected disability rated  
13 at twenty percent (20%) or more by the Veterans Administration or  
14 the Armed Forces of the United States;

15 (34) "Elected official" means a person elected to a state  
16 office in the legislative or executive branch of state government or  
17 a person elected to a county office for a definite number of years  
18 and shall include an individual who is appointed to fill the  
19 unexpired term of an elected state official;

20 (35) "Elected service" means the period of service as an  
21 elected official; and

22 (36) "Limitation year" means the year used in applying the  
23 limitations of Section 415 of the Internal Revenue Code of 1986,  
24 which year shall be the calendar year.

1 SECTION 34. AMENDATORY 74 O.S. 2011, Section 3601.1, is  
 2 amended to read as follows:

3 Section 3601.1. A. For purposes of Sections 3601.1 through  
 4 3603 of this title, the term "employee" means a full-time employee  
 5 or any number of part-time employees whose combined weekly hours of  
 6 employment equal those of a full-time employee, but shall not  
 7 include temporary employees working on a seasonal basis between May  
 8 1 and October 31.

9 B. Beginning July 1, 2008, the maximum number of full-time-  
 10 equivalent employees for each of the following agencies, boards,  
 11 commissions, departments, or programs shall not exceed the numbers  
 12 specified in this section, except as may be authorized pursuant to  
 13 the provisions of Section 3603 of this title.

	MAXIMUM NUMBER OF FULL-TIME-EQUIVALENT EMPLOYEES
17 <del>Board of Managers of the State Insurance Fund</del>	<del>591</del>
18 Oklahoma Employment Security Commission	1150
19 Oklahoma Accountancy Board	11
20 Board of Governors of the Licensed Architects, 21 Landscape Architects and Interior Designers of 22 Oklahoma	4
23 Board of Chiropractic Examiners	3
24 State Board of Cosmetology	16

1	Board of Dentistry	5
2	Oklahoma State Board of Embalmers and Funeral	
3	Directors	5
4	State Board of Registration for Professional	
5	Engineers and Land Surveyors	10
6	State Board of Medical Licensure and Supervision/	
7	Board of Podiatric Medical Examiners/State	
8	Board of Examiners of Perfusionists	29
9	Commission on Marginally Producing Oil and Gas	
10	Wells	5
11	Oklahoma Motor Vehicle Commission	6
12	Oklahoma Board of Nursing	30
13	Oklahoma State Board of Examiners for Nursing	
14	Home Administrators	4
15	Board of Examiners in Optometry	3
16	State Board of Osteopathic Examiners	7
17	Oklahoma Peanut Commission	2
18	Oklahoma State Board of Pharmacy	10
19	State Board of Examiners of Psychologists	2
20	Oklahoma Real Estate Commission	26
21	Board of Examiners for Speech-Language Pathology	
22	and Audiology	2
23	Oklahoma Used Motor Vehicle and Parts Commission	12
24	State Board of Veterinary Medical Examiners	6

1	Oklahoma Wheat Utilization, Research and Market	
2	Development Commission	7
3	Oklahoma Firefighters Pension and Retirement	
4	System	13
5	Oklahoma Police Pension and Retirement System	12
6	Teachers' Retirement System of Oklahoma	52
7	Oklahoma Public Employees Retirement System	63
8	Oklahoma Student Loan Authority	85
9	Oklahoma Industrial Finance Authority/Oklahoma	
10	Development Finance Authority	10
11	State and Education Employees Group Insurance	
12	Board	178
13	Oklahoma Capital Investment Board	4
14	State Board of Licensed Social Workers	1
15	Oklahoma State Employees Benefits Council	38
16	Oklahoma State Banking Department	46
17	Liquefied Petroleum Gas Administration	10
18	C. The duties and compensation of employees, not otherwise	
19	prescribed by law, necessary to perform the duties imposed upon the	
20	Oklahoma Public Employees Retirement System Board of Trustees by law	
21	shall be set by the Board of Trustees.	
22	D. Temporary employees of the Oklahoma Used Motor Vehicle and	
23	Parts Commission between the dates of November 1 and January 31	
24		

1 annually shall not be counted toward the maximum number of full-  
 2 time-equivalent employees provided for in this section.

3 SECTION 35. AMENDATORY 74 O.S. 2011, Section 3601.2, as  
 4 amended by Section 1007, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
 5 2012, Section 3601.2), is amended to read as follows:

6 Section 3601.2. A. Beginning January 1, 2010, the agency,  
 7 board, commission, department or program shall establish the salary  
 8 of each of the chief executive officers for which they have  
 9 appointing authority. Such salary shall be set between the minimum  
 10 and maximum of the range specified below, for full-time employees  
 11 only, per annum, payable monthly, pursuant to the limitations  
 12 outlined below:

13 1. If the chief executive officer's salary is below the minimum  
 14 annual salary then it can not be raised to more than the minimum  
 15 annual salary in one (1) fiscal year. If the chief executive  
 16 officer's salary is at or above the minimum annual salary then the  
 17 salary may not be increased above the midpoint in one (1) fiscal  
 18 year.

19 2. Such increases shall not occur more than once in a fiscal  
 20 year; and

21 3. The salary of the incumbent chief executive officer shall  
 22 not be increased if the officer's salary exceeds the maximum of the  
 23 range.

24 MINIMUM MIDPOINT MAXIMUM

	ANNUAL	ANNUAL	ANNUAL
	SALARY	SALARY	SALARY
1			
2			
3	<del>CompSource Oklahoma</del>	<del>\$86,136.00</del>	<del>\$101,337.00</del>
4	Oklahoma Employment		
5	Security Commission	\$93,190.00	\$109,635.00
6	Board of Governors of the		
7	Licensed Architects,		
8	Landscape Architects and		
9	Interior Designers of		
10	Oklahoma	\$45,513.00	\$62,757.00
11	Board of Chiropractic		
12	Examiners	\$46,788.00	\$55,044.00
13	State Board of Cosmetology	\$46,788.00	\$55,044.00
14	Board of Dentistry	\$54,956.00	\$64,334.00
15	Oklahoma Funeral Board	\$46,788.00	\$55,044.00
16	State Board of Registration		
17	for Professional		
18	Engineers and Land		
19	Surveyors	\$55,748.00	\$65,585.00
20	State Board of Medical		
21	Licensure and		
22	Supervision, Board of		
23	Podiatric Medical		
24	Examiners/State Board of		

1	Examiners of			
2	Perfusionists	\$67,551.00	\$79,471.00	\$91,392.00
3	Commission on Marginally			
4	Producing Oil and Gas			
5	Wells	\$55,748.00	\$65,585.00	\$75,424.00
6	Oklahoma Motor Vehicle			
7	Commission	\$55,748.00	\$65,585.00	\$75,424.00
8	Oklahoma Board of Nursing	\$67,551.00	\$79,471.00	\$91,392.00
9	Oklahoma State Board of			
10	Examiners for Nursing			
11	Home Administrators	\$46,788.00	\$55,044.00	\$63,301.00
12	State Board of Osteopathic			
13	Examiners	\$54,956.00	\$64,334.00	\$75,687.00
14	Oklahoma Peanut Commission	\$45,513.00	\$55,044.00	\$63,300.00
15	State Board of Examiners of			
16	Psychologists	\$46,788.00	\$55,044.00	\$63,301.00
17	Oklahoma Real Estate			
18	Commission	\$67,551.00	\$79,471.00	\$91,392.00
19	Board of Examiners for			
20	Speech-Language Pathology			
21	and Audiology	\$38,001.00	\$44,706.00	\$51,412.00
22	Oklahoma Used Motor Vehicle			
23	and Parts Commission	\$55,748.00	\$65,585.00	\$75,424.00
24				

1	State Board of Veterinary			
2	Medical Examiners	\$46,788.00	\$55,044.00	\$63,301.00
3	Oklahoma Wheat Utilization,			
4	Research and Market			
5	Development Commission	\$55,748.00	\$65,585.00	\$75,424.00
6	Oklahoma Firefighters			
7	Pension and Retirement			
8	System	\$80,732.00	\$94,980.00	\$109,226.00
9	Oklahoma Police Pension and			
10	Retirement System	\$80,733.00	\$94,981.00	\$109,227.00
11	Teachers' Retirement System			
12	of Oklahoma	\$86,136.00	\$101,337.00	\$116,536.00
13	Oklahoma Public Employees			
14	Retirement System	\$86,136.00	\$101,337.00	\$116,536.00
15	Oklahoma Student Loan			
16	Authority	\$83,790.00	\$101,377.00	\$116,536.00
17	Oklahoma Industrial Finance			
18	Authority	\$80,731.00	\$94,979.00	\$109,225.00
19	Oklahoma Capital Investment			
20	Board	\$80,731.00	\$94,979.00	\$109,225.00
21	State Board of Licensed			
22	Social Workers	\$46,788.00	\$55,044.00	\$63,301.00
23	Grand River Dam Authority	\$101,437.00	\$119,339.00	\$137,239.00
24				

1	Oklahoma State Banking			
2	Department	\$101,437.00	\$119,339.00	\$137,239.00
3	Liquefied Petroleum Gas			
4	Administration	\$55,748.00	\$65,585.00	\$75,424.00
5	Oklahoma Securities			
6	Commission	\$101,437.00	\$119,339.00	\$137,239.00

7       B. All increases require certification of the appointing  
8 authority that ~~said~~ the action can be implemented for the current  
9 fiscal year and subsequent fiscal year without the need for  
10 additional funding. The agency, board, commission, department or  
11 program shall report increases granted under this section to the  
12 Office of Management and Enterprise Services on an annual basis by  
13 August 1 of each year. The Office of Management and Enterprise  
14 Services shall forward a report of such increases to the Governor,  
15 President Pro Tempore of the Senate, and Speaker of the House of  
16 Representatives no later than September 1 of each year.

17       C. Every two (2) years starting FY-05, the Office of Management  
18 and Enterprise Services shall review these salary ranges and report  
19 on and make recommendations on proposed salary ranges in their  
20 annual compensation reports mandated by paragraph 5 of Section 840-  
21 1.6A of this title by no later than December 1.

22       D. Every three (3) years the Legislature shall review the  
23 salary ranges specified in subsection A of this section.

24

1 SECTION 36. AMENDATORY 82 O.S. 2011, Section 1085.24, is  
2 amended to read as follows:

3 Section 1085.24. A. The State Treasurer of the State of  
4 Oklahoma is hereby authorized and required to purchase from the  
5 Commission at private sale not to exceed at any one time One Million  
6 Five Hundred Thousand Dollars (\$1,500,000.00) in said investment  
7 certificates, or interim investment certificates, as an investment  
8 of the public monies in his or her possession. It shall be the  
9 responsibility of the State Treasurer to invest only that portion of  
10 such public monies as it deems to be more than sufficient to meet  
11 current expenditures payable from public monies. The State  
12 Treasurer is authorized and required to buy, and the Commission is  
13 authorized and required to sell to the State Treasurer at private  
14 sale, as provided in this section, so many of the investment  
15 certificates authorized by this act as may be safely purchased for  
16 investment of public monies by the State Treasurer without  
17 handicapping the State of Oklahoma in promptly meeting its  
18 obligations. In event of such sale or sales, the Commission shall  
19 determine and fix the rate of interest and investment certificates  
20 so sold shall bear such rate of interest.

21 B. In the event any or all of the investment certificates are  
22 sold to the State Treasurer under the provisions of subsection A of  
23 this section and thereafter the uninvested cash on hand and in  
24 solvent banks should fall short of demand orders on the State

1 Treasury, it shall be the duty of the State Treasurer to sell such  
2 part or all of the investment certificates as are necessary to be  
3 converted into cash to meet such demands. The State Treasurer may  
4 sell such part or all of the ~~said~~ investment certificates as he or  
5 she is so authorized to sell, at private sale, to ~~the State~~  
6 ~~Insurance Fund~~, the Teachers' Retirement Fund, or any other state  
7 fund, department or agency which has available monies to purchase  
8 the same, and all such state funds, departments and agencies are  
9 hereby authorized and empowered to so purchase such investment  
10 certificates.

11 SECTION 37. AMENDATORY 85 O.S. 2011, Section 308, is  
12 amended to read as follows:

13 Section 308. As used in the Workers' Compensation Code:

14 1. "Actually dependent" means a surviving spouse, a child, or  
15 any other person who receives one-half (1/2) or more of his or her  
16 support from the employee;

17 2. "Administrator" means the Administrator of the Workers'  
18 Compensation Court;

19 3. "Amount in dispute" means the dollar value of any permanent  
20 disability award granted to the employee by the Court for a  
21 disability claim which is greater than the dollar amount offered by  
22 the employer that admits compensability within twenty (20) days of  
23 the filing of the Employee's First Notice of Accidental Injury and  
24 Claim for Compensation to the employee for such disability claim,

1 when the employer has made a written settlement offer within thirty  
2 (30) days of the employee reaching maximum medical improvement;

3 4. "Brother" or "sister" means a sibling of the employee under  
4 eighteen (18) years of age, eighteen (18) years of age or over and  
5 physically or mentally incapable of self-support, eighteen (18)  
6 years of age or over and actually dependent and brothers and sisters  
7 by adoption;

8 5. "Case management" means the ongoing coordination, by a case  
9 manager, of health care services provided to an injured or disabled  
10 worker, including, but not limited to systematically monitoring the  
11 treatment rendered and the medical progress of the injured or  
12 disabled worker; ensuring that any treatment plan follows all  
13 appropriate treatment protocols, utilization controls and practice  
14 parameters; assessing whether alternative health care services are  
15 appropriate and delivered in a cost-effective manner based upon  
16 acceptable medical standards; and ensuring that the injured or  
17 disabled worker is following the prescribed health care plan;

18 6. "Case manager" means a person who is a registered nurse with  
19 a current, active unencumbered license from the Oklahoma Board of  
20 Nursing, or possesses one or more of the following certifications  
21 which indicate the individual has a minimum number of years of case  
22 management experience, has passed a national competency test and  
23 regularly obtains continuing education hours to maintain  
24 certification:

- 1 a. Certified Disability Management Specialist (CDMS),
- 2 b. Certified Case Manager (CCM),
- 3 c. Certified Rehabilitation Registered Nurse (CRRN),
- 4 d. Case Manager - Certified (CMC),
- 5 e. Certified Occupational Health Nurse (COHN), or
- 6 f. Certified Occupational Health Nurse Specialist (COHN-
- 7 S);

8 7. "Certified workplace medical plan" means an organization of  
9 health care providers or any other entity, certified by the State  
10 Commissioner of Health, that is authorized to enter into a  
11 contractual agreement with a self-insured employer, group self-  
12 insurance association plan, an employer's workers' compensation  
13 insurance carrier or an insured, which shall include any member of  
14 an approved group self-insured association, policyholder or public  
15 entity, ~~regardless of whether such entity is insured by CompSource~~  
16 ~~Oklahoma~~, to provide medical care under the Workers' Compensation  
17 Code. Certified plans shall only include such plans which provide  
18 medical services and payment for services on a fee-for-service basis  
19 to medical providers and shall not include other plans which  
20 contract in some other manner, such as capitated or prepaid plans;

21 8. "Child" means a natural or adopted son or daughter of the  
22 employee under eighteen (18) years of age; or a natural or adopted  
23 son or daughter of an employee eighteen (18) years of age or over  
24 who is physically or mentally incapable of self-support; or any

1 natural or adopted son or daughter of an employee eighteen (18)  
2 years of age or over who is actually dependent; or any natural or  
3 adopted son or daughter of an employee between eighteen (18) and  
4 twenty-three (23) years of age who is enrolled as a full-time  
5 student in any accredited educational institution. The term "child"  
6 includes a posthumous child, a child legally adopted or one for whom  
7 adoption proceedings are pending at the time of death, an actually  
8 dependent stepchild or an actually dependent acknowledged child born  
9 out of wedlock;

10 9. "Claimant" means a person who claims benefits for an injury  
11 pursuant to the provisions of the Workers' Compensation Code;

12 10. a. "Compensable injury" means any injury or occupational  
13 illness, causing internal or external harm to the  
14 body, which arises out of and in the course of  
15 employment if such employment was the major cause of  
16 the specific injury or illness. An injury, other than  
17 cumulative trauma, is compensable only if it is caused  
18 by a specific incident and is identifiable by time,  
19 place and occurrence unless it is otherwise defined as  
20 compensable in this act. A compensable injury must be  
21 established by objective medical evidence. The  
22 employee has the burden of proof to establish by a  
23 preponderance of the evidence that such unexpected or  
24 unforeseen injury was in fact caused by the

1 employment. There is no presumption from the mere  
2 occurrence of such unexpected or unforeseen injury  
3 that the injury was in fact caused by the employment.

4 b. "Compensable injury" means a cardiovascular, coronary,  
5 pulmonary, respiratory, or cerebrovascular accident or  
6 myocardial infarction causing injury, illness, or  
7 death, only if, in relation to other factors  
8 contributing to the physical harm, a work-related  
9 activity is the major cause of the physical harm.  
10 Such injury shall not be deemed to be a compensable  
11 injury unless it is shown that the exertion of the  
12 work necessary to precipitate the disability or death  
13 was extraordinary and unusual in comparison to the  
14 usual work of the employee, or alternately, that some  
15 unusual incident occurred which is found to have been  
16 the major cause of the physical harm.

17 c. "Compensable injury" shall not include the ordinary,  
18 gradual deterioration or progressive degeneration  
19 caused by the aging process, unless the employment is  
20 a major cause of the deterioration or degeneration and  
21 is supported by objective medical evidence; nor shall  
22 it include injury incurred while engaging in or  
23 performing, or as the result of engaging in or  
24 performing, any recreational or social activities.

1 d. "Compensable injury" includes personal property which  
2 is established by objective medical evidence to be  
3 medically necessary and which replaces or improves  
4 normal physical function of the body, such as  
5 artificial dentures, artificial limbs, glass eyes, eye  
6 glasses and other prostheses which are placed in or on  
7 the body and is damaged as a result of the injury.

8 e. "Compensable injury" shall not include an injury  
9 resulting directly or indirectly from idiopathic  
10 causes; any contagious or infectious disease unless it  
11 arises out of and occurs in the scope and course of  
12 employment; or death due to natural causes occurring  
13 while the worker is at work.

14 f. "Compensable injury" shall not include mental injury  
15 that does not arise directly as a result of a  
16 compensable physical injury, except in the case of  
17 rape or other crime of violence which arises out of  
18 and in the course of employment;

19 11. "Compensation" means the money allowance payable to an  
20 employee as provided for in the Workers' Compensation Code;

21 12. "Consequential injury" means injury or harm to a part of  
22 the body that is a direct result of the injury or medical treatment  
23 to the part of the body originally injured in the claim. The Court  
24 shall not make a finding of a consequential injury unless it is

1 established by objective medical evidence that medical treatment for  
2 such part of the body is required;

3 13. "Continuing medical maintenance" means medical treatment  
4 that is reasonable and necessary to maintain claimant's condition  
5 resulting from the compensable injury or illness after reaching  
6 maximum medical improvement. Continuing medical maintenance shall  
7 not include diagnostic tests, surgery, injections, counseling,  
8 physical therapy, or pain management devices or equipment, unless  
9 specifically authorized by the Workers' Compensation Court in  
10 advance of such treatment;

11 14. "Court" means the Workers' Compensation Court;

12 15. "Cumulative trauma" means a compensable injury which is  
13 repetitive in nature and engaged in over a period of time, the major  
14 cause of which results from employment activities, and proved by  
15 objective medical evidence;

16 16. "Drive-away operations" include every person engaged in the  
17 business of transporting and delivering new or used vehicles by  
18 driving, either singly or by towbar, saddle mount or full mount  
19 method, or any combination thereof, with or without towing a  
20 privately owned vehicle;

21 17. "Employee" means any person engaged in the employment of an  
22 employer covered by the terms of the Workers' Compensation Code  
23 except for such persons as may be excluded elsewhere in this act.  
24 Provided, any person excluded as an employee may, if otherwise

1 qualified, be eligible for benefits under the Workers' Compensation  
2 Code if specifically covered by any policy of insurance covering  
3 benefits under the Workers' Compensation Code. "Employee" shall  
4 also include a member of the Oklahoma National Guard while in the  
5 performance of duties only while in response to state orders and any  
6 authorized voluntary or uncompensated worker, rendering services as  
7 a firefighter, peace officer or emergency management worker.

8 "Employee" shall also include a participant in a sheltered workshop  
9 program which is certified by the United States Department of Labor;

10 18. "Employer", except when otherwise expressly stated, means a  
11 person, partnership, association, limited liability company,  
12 corporation, and the legal representatives of a deceased employer,  
13 or the receiver or trustee of a person, partnership, association,  
14 corporation, or limited liability company, departments,  
15 instrumentalities and institutions of this state and divisions  
16 thereof, counties and divisions thereof, public trusts, boards of  
17 education and incorporated cities or towns and divisions thereof,  
18 employing a person included within the term "employee" as defined in  
19 this section. Employer may also mean the employer's workers'  
20 compensation insurance carrier, if applicable;

21 19. "Employment" includes work or labor in a trade, business,  
22 occupation or activity carried on by an employer or any authorized  
23 voluntary or uncompensated worker rendering services as a  
24 firefighter, peace officer or emergency management worker;

1       20. "Evidence-based" means expert-based, literature-supported  
2 and outcomes validated by well-designed randomized trials when such  
3 information is available and which uses the best available evidence  
4 to support medical decision making;

5       21. "Gainful employment" means the capacity to perform  
6 employment for wages for a period of time that is not part-time,  
7 occasional or sporadic;

8       22. "Grandchild" means a child of a child;

9       23. "Impaired self-insurer" means a private self-insurer or  
10 group self-insurance association that fails to pay its workers'  
11 compensation obligations, or is financially unable to do so and is  
12 the subject of any proceeding under the Federal Bankruptcy Reform  
13 Act of 1978, and any subsequent amendments or is the subject of any  
14 proceeding in which a receiver, custodian, liquidator,  
15 rehabilitator, trustee or similar officer has been appointed by a  
16 court of competent jurisdiction to act in lieu of or on behalf of  
17 the self-insurer;

18       24. "Incapacity" means inadequate strength or ability to  
19 perform a work-related task;

20       25. "Independent medical examiner" means a licensed physician  
21 authorized to serve as a medical examiner pursuant to this act;

22       26. "Insurance carrier" shall include ~~CompSource Oklahoma,~~  
23 stock corporations, reciprocal or interinsurance associations, or  
24 mutual associations with which employers have insured, including

1 CompSource Mutual Insurance Company and employers permitted to pay  
2 compensation directly under the provisions of Section ~~54~~ 351 of this  
3 ~~act~~ title;

4 27. "Light duty" describes the status of an employee when a  
5 physician has declared the employee available for work with specific  
6 temporary physical restrictions;

7 28. "Major cause" means more than fifty percent (50%) of the  
8 resulting injury, disease or illness. A finding of major cause  
9 shall be established by a preponderance of the evidence. A finding  
10 that the workplace was not a major cause of the injury, disease or  
11 illness shall not adversely affect the exclusive remedy provisions  
12 of this act and shall not create a separate cause of action outside  
13 of this act;

14 29. "Maximum medical improvement" means that no further  
15 material improvement would reasonably be expected from medical  
16 treatment or the passage of time;

17 30. "Medical treatment" means such medical, diagnostic,  
18 surgical or other attendance or treatment, nurse and hospital  
19 service, medicine, crutches, and apparatus as may be reasonable and  
20 necessary after the compensable injury for an injured employee;

21 31. "Nationally recognized" includes, but is not limited to,  
22 syntheses of clinical issues that may take the form of published  
23 reports in the scientific literature, national consensus documents,  
24 formalized documents addressing standards of practice, practice

1 parameters from professional societies or commissions, and  
2 technology assessments produced by independent evidence-based  
3 practice centers;

4 32. "Objective medical evidence" means evidence which meets the  
5 criteria of Federal Rule of Evidence 702 and all U.S. Supreme Court  
6 case law applicable thereto. Objective findings are those findings  
7 which cannot come under the voluntary control of the patient. When  
8 determining physical or anatomical impairment, neither a physician,  
9 any other medical provider, a judge of the Workers' Compensation  
10 Court, nor the courts may consider complaints of pain. For the  
11 purpose of making physical or anatomical impairment ratings to the  
12 spine, physicians shall use criteria established by the American  
13 Medical Association guides or modifications thereto as approved by  
14 the Legislature. Objective evidence necessary to prove physical or  
15 anatomical impairment in occupational hearing loss cases shall be  
16 established by medically recognized and accepted clinical diagnostic  
17 methodologies, including, but not limited to, audiological tests  
18 that measure air and bone conduction thresholds and speech  
19 discrimination ability. Medical opinions addressing compensability  
20 and permanent impairment must be stated within a reasonable degree  
21 of medical certainty;

22 33. "Occupational disease" means only that disease or illness  
23 which is due to causes and conditions characteristic of or peculiar  
24 to the particular trade, occupation, process or employment in which

1 the employee is exposed to such disease. An occupational disease  
2 arises out of the employment only if the employment was the major  
3 cause of the resulting occupational disease and such is supported by  
4 objective medical evidence, as defined in this section;

5 34. "Peer review" means the process of subjecting submitted  
6 manuscripts, guidelines, or other clinical or scholarly work to the  
7 scrutiny of others who are experts in the same field;

8 35. "Permanent partial impairment" means any anatomical  
9 abnormality or loss of use after maximum medical improvement has  
10 been achieved which can be evaluated by a physician. Any examining  
11 physician shall only evaluate impairment in accordance with the  
12 method prescribed in Section ~~33~~ 333 of this ~~act~~ title. All  
13 evaluations of permanent impairment must be supported by objective  
14 medical evidence;

15 36. "Permanent total disability" means incapacity, because of  
16 accidental injury or occupational disease, to earn wages in any  
17 employment for which the employee may become physically suited and  
18 reasonably fitted by education, training or experience, including  
19 vocational rehabilitation. Loss of both hands, or both feet, or  
20 both legs, or both eyes, or any two thereof, shall constitute  
21 permanent total disability;

22 37. "Private self-insurer" means a private employer that has  
23 been authorized to self-insure its workers' compensation obligations  
24 pursuant to Section ~~51~~ 351 of this ~~act~~ title, but does not include

1 group self-insurance associations authorized under Section ~~54~~ 351 of  
2 this ~~act~~ title or Section 398 of this title, or any public employer  
3 that self-insures pursuant to Section ~~13~~ 313 of this ~~act~~ title;

4 38. "Prosthetic device" means an artificial device used to  
5 replace a part or joint of the body that is lost or injured in an  
6 accident or illness covered by this act;

7 39. "Qualified independent medical examiner" means a licensed  
8 medical doctor or doctor of Osteopathy qualified to serve as an  
9 independent medical examiner pursuant to this act;

10 40. "Scheduled member" or "member" means hands, fingers, arms,  
11 legs, feet, toes, and eyes. In addition, for purposes of the  
12 Multiple Injury Trust Fund only, "scheduled member" means hearing  
13 impairment;

14 41. "Scientifically based" involves the application of  
15 rigorous, systematic, and objective procedures to obtain reliable  
16 and valid knowledge relevant to medical testing, diagnoses and  
17 treatment; is adequate to justify the general conclusions drawn; and  
18 has been accepted by a peer-review journal or approved by a panel of  
19 independent experts through a comparably rigorous, objective, and  
20 scientific review;

21 42. "State-developed" includes formalized treatment guidelines  
22 developed and adopted by state governments, or by the Workers'  
23 Compensation Court upon recommendation of the Physician Advisory  
24 Committee;

1       43. "State's average weekly wage" means the average weekly wage  
2 in this state determined by the Oklahoma Employment Security  
3 Commission annually, which shall be used to establish maximum  
4 benefits under the Workers' Compensation Code for injuries occurring  
5 during a one-year period, which period shall begin on the first day  
6 of November after publication by the Oklahoma Employment Security  
7 Commission. For the purpose of computing benefits payable under the  
8 Workers' Compensation Code, the state's average weekly wage shall be  
9 rounded to the nearest dollar;

10       44. "Subcontractor" means a person, firm, corporation or other  
11 legal entity hired by the general or prime contractor to perform a  
12 specific task for the completion of a work-related activity;

13       45. "Surgery" does not include an injection, or the forcing of  
14 fluids beneath the skin, for treatment or diagnosis;

15       46. "Surviving spouse" means the employee's spouse by reason of  
16 a legal marriage recognized by any state or nation or by common law,  
17 under the requirements of a common law marriage in this state, as  
18 determined by the Workers' Compensation Court;

19       47. "Temporary partial disability" describes the status of an  
20 injured worker who is under active medical care that is expected to  
21 improve his or her condition and who is unable to perform some of  
22 the normal activities of his or her work or is limited to a portion  
23 of his or her normal hours of employment;

1       48. "Treating physician" means the licensed physician  
2 authorized to provide active medical treatment for an injured  
3 worker; and

4       49. "Wages" means money compensation received for employment at  
5 the time of the injury, including the reasonable value of board,  
6 rent, housing, lodging, bonuses, sales commissions, or similar  
7 advantage received from the employer.

8       SECTION 38.       AMENDATORY       85 O.S. 2011, Section 313, is  
9 amended to read as follows:

10       Section 313. A. 1. All public entities of this state, their  
11 agencies and instrumentalities, authorities, and public trusts of  
12 which they are beneficiaries shall provide workers' compensation to  
13 their employees and elected officials engaged in either governmental  
14 or proprietary functions in accordance with this section.  
15 Compensation or indemnification for compensation shall be paid out  
16 of the funds of the public entities.

17       2. Except as otherwise provided, the state and all its  
18 institutions of higher education, departments, instrumentalities,  
19 institutions, and public trusts of which it or they are  
20 beneficiaries shall insure against liability for workers'  
21 compensation with ~~the State Insurance Fund~~ CompSource Mutual  
22 Insurance Company and shall not insure with any other insurance  
23 carrier unless:  
24

- 1 a. ~~the State Insurance Fund~~ CompSource Mutual Insurance  
2 Company refuses to accept the risk when the  
3 application for insurance is made,  
4 b. specifically authorized by law, or  
5 c. the state entity can obtain workers' compensation  
6 insurance coverage at the same cost or at a lower cost  
7 from another insurance carrier licensed in this state.  
8 Effective November 1, 1999, and for the next two  
9 fiscal years thereafter, not to exceed fifteen (15)  
10 state entities each fiscal year may obtain workers'  
11 compensation insurance coverage pursuant to this  
12 subparagraph from an insurer other than ~~the State~~  
13 ~~Insurance Fund~~ CompSource Mutual Insurance Company.  
14 Beginning with the third fiscal year thereafter, all  
15 state entities may obtain workers' compensation  
16 insurance coverage pursuant to this subparagraph.

17 3. The state, all state institutions of higher education except  
18 comprehensive universities, and all state departments,  
19 instrumentalities, institutions, and public trusts of which the  
20 state is a beneficiary, may self-insure under rules promulgated by  
21 ~~the State Insurance Fund~~ CompSource Mutual Insurance Company. Self-  
22 insurance administration may only be obtained through ~~the State~~  
23 ~~Insurance Fund~~ CompSource Mutual Insurance Company. The state, all  
24 state institutions of higher education except comprehensive

1 universities, and all state departments, instrumentalities,  
2 institutions, and public trusts so electing to self-insure shall pay  
3 premiums set by ~~the State Insurance Fund~~ CompSource Mutual Insurance  
4 Company. ~~The State Insurance Fund~~ CompSource Mutual Insurance  
5 Company shall collect premiums, pay claims and provide for excess  
6 insurance. All dividends or profits accumulating from a self-  
7 insurance program shall be refunded to the participants on a formula  
8 devised by ~~the State Insurance Fund~~ CompSource Mutual Insurance  
9 Company.

10 B. All counties, cities and towns, their instrumentalities and  
11 public trusts of which they are beneficiaries shall insure against  
12 their liability for workers' compensation with ~~the State Insurance~~  
13 ~~Fund~~ CompSource Mutual Insurance Company or, through any combination  
14 of the following, may:

15 1. Self-insure and make any appropriation of funds to cover  
16 their risk;

17 2. Secure reinsurance or excess insurance over and above a  
18 self-insurance retention in any manner authorized by subsections B  
19 and C of Section 167 of Title 51 of the Oklahoma Statutes;

20 3. Secure compensation for their employees in the manner  
21 provided in the Political Subdivision Tort Claims Act; subsection C  
22 of Section 167 of Title 51 of the Oklahoma Statutes; or

23 4. Insure with other insurance carriers licensed in the State  
24 of Oklahoma.

1 C. Boards of education, their instrumentalities and public  
2 trusts of which they are beneficiaries shall insure against their  
3 liability for workers' compensation with ~~the State Insurance Fund~~  
4 CompSource Mutual Insurance Company or, through any combination of  
5 the following, may:

6 1. Self-insure and make any appropriation of funds to cover  
7 their risk;

8 2. Secure reinsurance or excess insurance over and above a  
9 self-insured retention in any manner authorized by subsection B of  
10 Section 168 of Title 51 of the Oklahoma Statutes; or

11 3. Insure with other insurance carriers licensed in the State  
12 of Oklahoma.

13 D. Comprehensive universities shall insure against their  
14 liability for workers' compensation with ~~the State Insurance Fund~~  
15 CompSource Mutual Insurance Company; or if it can be demonstrated to  
16 the Board of Regents of the comprehensive university prior to the  
17 inception date of a workers' compensation policy that the policy  
18 will result in a lower cost than one with ~~the State Insurance Fund~~  
19 CompSource Mutual Insurance Company or, through any combination of  
20 the following, may:

21 1. Self-insure and make any appropriation of funds to cover  
22 their risk; or

23 2. Insure with other insurance carriers licensed in the State  
24 of Oklahoma.

1 E. In addition to any other provision of this section, city,  
2 county, city-county, and public trust hospitals may insure with  
3 other insurance carriers licensed in this state if it can be  
4 demonstrated to the governing body of the hospital prior to the  
5 inception date of a workers' compensation policy each year that the  
6 policy will result in a lower cost than one with the State Insurance  
7 Fund.

8 F. For purposes of the Workers' Compensation Act, all contracts  
9 of employment for state, county, municipal, and state funded  
10 educational entities and public trusts will be considered to have  
11 been entered into in this state regardless of where the work is  
12 performed.

13 G. Where a person who is employed by the state, a municipality,  
14 a county, or by any political subdivisions thereof, and who, while  
15 off-duty from the employment, is employed by a private employer, the  
16 private employer alone shall be liable for compensation under the  
17 Workers' Compensation Act for any injury or death of the person  
18 arising out of and in the course of employment which occurs during  
19 the hours of actual employment by the private employer. The  
20 provisions of this act shall be applicable to private employers  
21 specified in this subsection. The provisions of this subsection  
22 shall not relieve the state, a municipality or a county, or any  
23 political subdivision thereof, from providing disability benefits to  
24 which a person may be entitled pursuant to a pension or retirement

1 plan. The provisions of this subsection shall not preclude an  
2 employee or group of employees so employed from providing separate  
3 compensation coverage for off-duty employment by a private employer.

4 SECTION 39. AMENDATORY 85 O.S. 2011, Section 328, is  
5 amended to read as follows:

6 Section 328. A. If a self-insured employer, group self-  
7 insurance association plan, an employer's workers' compensation  
8 insurance carrier or an insured, which shall include any member of  
9 an approved group self-insured association, policyholder or public  
10 entity, has contracted with a workplace medical plan that is  
11 certified by the State Commissioner of Health as provided in this  
12 act, the employer shall select for the injured employee a treating  
13 physician from the physicians listed within the network of the  
14 certified workplace medical plan. The claimant may apply to the  
15 certified workplace medical plan for a one-time change of physician  
16 to another appropriate physician within the network of the certified  
17 workplace medical plan by utilizing the dispute resolution process  
18 set out in the certified workplace medical plan on file with the  
19 State Department of Health. Notwithstanding any other provision of  
20 law, those employees who are subject to such certified workplace  
21 medical plan shall receive medical treatment in the manner  
22 prescribed by the plan.

23 B. The provisions of this section shall not preclude an  
24 employee, who has exhausted the dispute resolution process of the

1 certified workplace medical plan, from petitioning the Workers'  
2 Compensation Court for a change of treating physician within the  
3 certified workplace medical plan or, if a physician who is qualified  
4 to treat the employee's injuries is not available within the plan,  
5 for a change of physician outside the plan, if the physician agrees  
6 to comply with all the rules, terms and conditions of the certified  
7 workplace medical plan; or an employee from seeking emergency  
8 medical treatment.

9 C. Any person or entity may make written application to the  
10 State Commissioner of Health to have a workplace medical plan  
11 certified that provides management of quality treatment to injured  
12 employees for injuries and diseases compensable under the Workers'  
13 Compensation Code. Each application for certification shall be  
14 accompanied by a fee of One Thousand Five Hundred Dollars  
15 (\$1,500.00). A workplace medical plan may be certified to provide  
16 services to a limited geographic area. A certificate is valid for a  
17 five-year period, unless revoked or suspended. Application for  
18 certification shall be made in the form and manner and shall set  
19 forth information regarding the proposed program for providing  
20 services as the Commissioner may prescribe. The information shall  
21 include, but not be limited to:

22 1. A list of the names of all medical providers who will  
23 provide services under the plan, together with appropriate evidence  
24

1 of compliance with any licensing or certification requirements for  
2 those providers to practice in this state; and

3 2. A description of the places and manner of providing services  
4 under the plan.

5 D. 1. The Commissioner shall not certify a plan unless the  
6 Commissioner finds that the plan:

7 a. proposes to provide quality services for all medical  
8 services which:

9 (1) may be required by the Workers' Compensation Code  
10 in a manner that is timely, effective and  
11 convenient for the employee, and

12 (2) utilizes medical treatment guidelines and  
13 protocols substantially similar to those  
14 established for use by medical service providers  
15 which have been recommended by the Physician  
16 Advisory Committee and adopted by the  
17 Administrator pursuant to this act. If the  
18 Administrator has not adopted medical treatment  
19 guidelines and protocols, the Commissioner may  
20 certify a plan that utilizes medical guidelines  
21 and protocols established by the plan if, at the  
22 discretion of the Commissioner, the guidelines  
23 and protocols are reasonable and will carry out  
24 the intent of the Workers' Compensation Code.

1 Certified plans must utilize medical treatment  
2 guidelines and protocols substantially similar to  
3 those adopted by the Administrator pursuant to  
4 this act, as such guidelines and protocols become  
5 adopted,

6 b. is reasonably geographically convenient to residents  
7 of the area for which it seeks certification,

8 c. provides appropriate financial incentives to reduce  
9 service costs and utilization without sacrificing the  
10 quality of service,

11 d. provides adequate methods of peer review, utilization  
12 review and dispute resolution to prevent  
13 inappropriate, excessive or medically unnecessary  
14 treatment, and excludes participation in the plan by  
15 those providers who violate these treatment standards,

16 e. requires the dispute resolution procedure of the plan  
17 to include a requirement that disputes on an issue,  
18 including a subsequent change of physician as  
19 described in the provisions of this section, related  
20 to medical care under the plan, be attempted to be  
21 resolved within ten (10) days of the time the dispute  
22 arises and if not resolved within ten (10) days, the  
23 employee may pursue remedies in the Court.  
24

- 1 f. provides aggressive case management for injured  
2 employees and a program for early return to work,  
3 g. provides workplace health and safety consultative  
4 services,  
5 h. provides a timely and accurate method of reporting to  
6 the Commissioner necessary information regarding  
7 medical service costs and utilization to enable the  
8 Commissioner to determine the effectiveness of the  
9 plan,  
10 i. authorizes necessary emergency medical treatment for  
11 an injury provided by a provider of medical, surgical,  
12 and hospital services who is not a part of the plan,  
13 j. does not discriminate against or exclude from  
14 participation in the plan any category of providers of  
15 medical, surgical, or hospital services and includes  
16 an adequate number of each category of providers of  
17 medical, surgical, and hospital services to give  
18 participants access to all categories of providers and  
19 does not discriminate against ethnic minority  
20 providers of medical services, and  
21 k. complies with any other requirement the Commissioner  
22 determines is necessary to provide quality medical  
23 services and health care to injured employees.  
24

1        2. The Commissioner may accept findings, licenses or  
2 certifications of other state agencies as satisfactory evidence of  
3 compliance with a particular requirement of this section.

4        E. If any insurer, ~~except CompSource Oklahoma,~~ fails to  
5 contract with or provide access to a certified workplace medical  
6 plan, an insured, after sixty (60) days' written notice to its  
7 insurance carrier, shall be authorized to contract independently  
8 with a plan of his or her choice for a period of one (1) year, to  
9 provide medical care under the Workers' Compensation Code. The  
10 insured shall be authorized to contract, after sixty (60) days'  
11 written notice to its insurance carrier, for additional one-year  
12 periods if his or her insurer has not contracted with or provided  
13 access to a certified workplace medical plan.

14        F. ~~If CompSource Oklahoma fails to contract with at least three~~  
15 ~~certified workplace medical plans, each covering at least fifty~~  
16 ~~counties, then the insured, after sixty (60) days' written notice to~~  
17 ~~CompSource Oklahoma, shall be authorized to contract independently~~  
18 ~~with a plan of the insured's choice for a period of one (1) year to~~  
19 ~~provide medical care under the Workers' Compensation Code. The~~  
20 ~~insured shall be authorized to contract, after sixty (60) days'~~  
21 ~~written notice to CompSource Oklahoma, for additional one-year~~  
22 ~~periods if CompSource Oklahoma has not contracted with or fails to~~  
23 ~~continue contracts with at least three certified workplace medical~~  
24 ~~plans covering at least fifty counties. A workers' compensation~~

1 insurance carrier, ~~CompSource Oklahoma~~, or a group self-insurance  
2 association plan may grant a ten-percent premium reduction to an  
3 employer who is not experience rated when the employer participates  
4 in a certified workplace medical plan.

5 G. The Commissioner shall refuse to certify or shall revoke or  
6 suspend the certification of a plan if the Commissioner finds that  
7 the program for providing medical or health care services fails to  
8 meet the requirements of this section, or service under the plan is  
9 not being provided in accordance with the terms of the plan.

10 H. The State Commissioner of Health shall implement a site  
11 visit protocol for employees of the State Department of Health to  
12 perform an inspection of a certified workplace medical plan to  
13 ensure that medical services to a claimant and the medical  
14 management of the claimant's needs are adequately met in a timely  
15 manner and that the certified workplace medical plan is complying  
16 with all other applicable provisions of this act and the rules of  
17 the State Department of Health. Such protocol shall include, but  
18 not be limited to:

19 1. A site visit shall be made to each certified workplace  
20 medical plan not less often than once every year, but not later than  
21 thirty (30) days following the anniversary date of issuance of the  
22 initial or latest renewal certificate;

23 2. A site visit shall conclude with a determination that a  
24 certified workplace medical plan is or is not operating in

1 accordance with its latest application to the State Department of  
2 Health;

3 3. Compliant operations shall include, but not be limited to:

- 4 a. timely and effective medical services available with
- 5 reasonable geographic convenience,
- 6 b. appropriate treatment guidelines and protocols, and
- 7 c. effective programs for utilization review, case
- 8 management, grievances, and dispute resolution;

9 4. Performance of a site visit shall include:

- 10 a. inspection of organizational documentation,
- 11 b. inspection of systems documentation and processes,
- 12 c. random or systematic sampling of closed and open case
- 13 management cases (files),
- 14 d. random or systematic sampling, or a one-hundred-
- 15 percent inspection of all dispute resolution,
- 16 grievance, and Department of Health request for
- 17 assistance files,
- 18 e. workplace medical plan employee and management
- 19 interviews, as appropriate;

20 5. An initial site visit may occur with an interval of less  
21 than twelve (12) months to a recently certified plan, or a site  
22 visit may occur more often than once in every twelve (12) months if  
23 the State Commissioner of Health has reason to suspect that a plan  
24 is not operating in accordance with its certification;

1       6. If a deficient practice is identified during a site visit,  
2 the State Department of Health shall require a certified workplace  
3 medical plan to submit a timely and acceptable written plan of  
4 correction, and then may perform a follow-up visit or visits to  
5 ensure that the deficient practice has been eliminated;

6       7. A deficient practice that is not remedied by a certified  
7 workplace medical plan on a timely basis shall require the State  
8 Commissioner of Health to revoke or to suspend the certification of  
9 a plan;

10       8. The fees payable to the State Department of Health shall be:

- 11           a. One Thousand Five Hundred Dollars (\$1,500.00) for an  
12           initial, annual site visit,  
13           b. One Thousand Dollars (\$1,000.00) if a follow-up visit  
14           is performed,  
15           c. separate from the once in five (5) years certification  
16           application fee, and  
17           d. charged only if less than two site visits occur in a  
18           twelve-month period; and

19       9. In addition to the site visit fee, employees of the State  
20 Department of Health may charge to the certified workplace medical  
21 plan reasonable travel and travel-related expenses for the site  
22 visit such as overnight lodging and meals. A certified workplace  
23 medical plan shall reimburse travel expenses to the State Department  
24

1 of Health at rates equal to the amounts then currently allowed under  
2 the State Travel Reimbursement Act.

3 I. The State Board of Health shall adopt such rules as may be  
4 necessary to implement the provisions of this act and this section.  
5 Such rules shall authorize any person to petition the State  
6 Commissioner of Health for decertification of a certified workplace  
7 medical plan for material violation of any rules promulgated  
8 pursuant to this section.

9 SECTION 40. AMENDATORY 85 O.S. 2011, Section 339, is  
10 amended to read as follows:

11 Section 339. A. If the employee and employer shall reach an  
12 agreement for the full, final and complete settlement of any issue  
13 of a claim pursuant to the Workers' Compensation Code, a form  
14 designated as "Compromise Settlement" shall be signed by both the  
15 employer and employee, or representatives thereof, and shall be  
16 approved by a judge of the Workers' Compensation Court or the  
17 Administrator of the Workers' Compensation Court and filed with the  
18 Administrator. In cases in which the employee is not represented by  
19 legal counsel, a judge of the Court or the Administrator shall have  
20 jurisdiction to approve a full, final and complete settlement of any  
21 issue upon the filing of an Employer's First Notice of Injury.  
22 There shall be no requirement for the filing of an Employee's First  
23 Notice of Accidental Injury and Claim for Compensation to effect  
24

1 such settlement in cases in which the employee is not represented by  
2 legal counsel.

3 B. In the event all issues of a claim are not fully, finally  
4 and completely settled by a Compromise Settlement, the issues not  
5 settled by the parties and subject to the Court's continuing  
6 jurisdiction must be noted by appendix to the Compromise Settlement  
7 or on a form created for such purpose by the Administrator. The  
8 appendix must be signed by the parties and approved by the Court as  
9 set forth herein.

10 C. In the absence of fraud, a Compromise Settlement shall be  
11 deemed binding upon the parties thereto and a final adjudication of  
12 all rights pursuant to the Workers' Compensation Code. An official  
13 record shall be made by a court reporter of the testimony taken to  
14 effect the Compromise Settlement.

15 D. A good faith effort shall be made on the part of any  
16 insurance carrier, ~~CompSource Oklahoma,~~ or group self-insured plan  
17 to notify an insured employer of the possibility of and terms of any  
18 settlement of a workers' compensation case pursuant to this section.  
19 Written comments or objections to settlements shall be filed with  
20 the Court and periodically shared with the management of the  
21 applicable insurer. A written notice shall be made to all  
22 policyholders of their right to a good faith effort by their insurer  
23 to notify them of any proposed settlement, if the policyholder so  
24 chooses.

1 SECTION 41. AMENDATORY 85 O.S. 2011, Section 352, is  
2 amended to read as follows:

3 Section 352. A. In addition to any other penalty prescribed by  
4 law, any employer who fails to secure compensation required by  
5 Section ~~51~~ 351 of this ~~act~~ title shall be liable for a civil  
6 penalty, to be assessed by the Commissioner of Labor or designee, of  
7 not more than Two Hundred Fifty Dollars (\$250.00) per employee for a  
8 first offense, unless the employer secures workers' compensation  
9 insurance within thirty (30) days after receiving notice of the  
10 violation. If the employer secures workers' compensation insurance  
11 within thirty (30) days after receiving notice of the violation, the  
12 employer shall be liable for a civil penalty of not more than  
13 Seventy-five Dollars (\$75.00) per employee. An employer shall be  
14 liable for a civil penalty of not more than One Thousand Dollars  
15 (\$1,000.00) per employee for a second or subsequent offense.  
16 Provided, the maximum civil penalty shall not exceed Ten Thousand  
17 Dollars (\$10,000.00) for all related series of violations. All  
18 civil penalties collected shall be deposited in the Department of  
19 Labor Revolving Fund and shall be used to enforce the provisions of  
20 the Workers' Compensation Code.

21 B. After an employer is cited for two offenses of failing to  
22 obtain workers' compensation insurance and fails to obtain coverage  
23 within thirty (30) days of the second citation, the Commissioner of  
24 Labor shall issue cease and desist orders, in accordance with the

1 Department of Labor administrative rules and procedures, against an  
2 employer until the violating employer shall obtain workers'  
3 compensation insurance for its employees. The Commissioner of Labor  
4 shall have the authority to require the cessation of activities of  
5 an employer whose employees are not covered by workers' compensation  
6 insurance until the violating employer shall obtain workers'  
7 compensation insurance for its employees; provided that an employer  
8 who has made application for workers' compensation coverage with  
9 ~~either CompSource Oklahoma or a private~~ insurance carrier, and who,  
10 through no fault of the employer, has not received notice that such  
11 coverage has commenced, shall not be made to cease operations, as  
12 provided for in this section, until a determination has been made  
13 concerning the employee's application for workers' compensation  
14 coverage. Any order to cease and desist issued by the Commissioner  
15 may be enforced in district court. The district court may issue the  
16 Commissioner an injunction without bond, for the purposes of  
17 enforcing this section.

18 C. The Commissioner of Labor or designee shall assess and  
19 collect any civil penalty incurred under subsection A of this  
20 section and, in the Commissioner's discretion, may remit, mitigate  
21 or negotiate the penalty. In determining the amount of the penalty  
22 to be assessed, or the amount agreed upon in any negotiation,  
23 consideration shall be given to the appropriateness of such penalty  
24 in light of the life of the business of the employer charged, the

1 gravity of the violation, and the extent to which the employer  
2 charged has complied with the provisions of Section ~~51~~ 351 of this  
3 ~~act~~ title or has otherwise attempted to remedy the consequences of  
4 the violation.

5 SECTION 42. AMENDATORY 85 O.S. 2011, Section 373, is  
6 amended to read as follows:

7 Section 373. A. There is hereby created a Physician Advisory  
8 Committee comprised of nine (9) members to be appointed as follows:

9 1. The Governor shall appoint three members, one of whom shall  
10 be licensed in this state as a doctor of medicine and surgery, one  
11 of whom shall be engaged in the practice of family medicine in a  
12 rural community of the state, and one of whom shall be an  
13 osteopathic physician;

14 2. The President Pro Tempore of the Senate shall appoint three  
15 members, one of whom shall be licensed in this state as a doctor of  
16 medicine and orthopedic surgery, one of whom shall be licensed in  
17 this state either as a doctor of medicine or a doctor of osteopathy  
18 and a neurosurgeon, and one of whom shall be licensed in this state  
19 as a podiatric physician; and

20 3. The Speaker of the House of Representatives shall appoint  
21 three members, one of whom shall be licensed in this state as an  
22 osteopathic physician, one of whom shall be licensed in this state  
23 either as a doctor of medicine or a doctor of osteopathy and shall  
24

1 be engaged in the practice of occupational medicine, and one of whom  
2 shall be licensed in this state as a chiropractic physician.

3 The terms of members serving on ~~the effective date of this act~~  
4 August 26, 2011, shall end on ~~the effective date of this act~~ August  
5 26, 2011. Thereafter, each position will be filled by the  
6 appointing official for a term of three (3) years. Members shall be  
7 subject to reappointment, with any new appointee to serve out the  
8 remainder of the unexpired term of the Committee member so replaced.

9 B. The Committee shall:

10 1. Assist and advise the Administrator of the Workers'  
11 Compensation Court regarding utilization review as it relates to the  
12 medical practice and treatment of work-related injuries. Such  
13 utilization review shall include a review of reasonable and  
14 necessary medical treatment; abusive practices; needless treatments,  
15 testing, or procedures; or a pattern of billing in excess of or in  
16 violation of the Schedule of Medical Fees. The Physician Advisory  
17 Committee shall review and make findings and recommendations to the  
18 Administrator with respect to charges of inappropriate or  
19 unnecessary treatment or procedures, abusive practices, or excessive  
20 billing disclosed through utilization review;

21 2. Assist the Administrator in reviewing medical practices of  
22 health care providers, including evaluations of permanent impairment  
23 provided by health care providers. The Committee shall review and  
24 make findings and recommendations to the Administrator with respect

1 to charges of abusive practices by health care providers providing  
2 medical services or evaluations of permanent impairment through the  
3 workers' compensation system;

4 3. After public hearing, review and make recommendations for  
5 acceptable deviations from the American Medical Association's  
6 "Guides to the Evaluation of Permanent Impairment";

7 4. After public hearing, review and make recommendations to the  
8 Administrator for an alternative method or system to evaluate  
9 permanent impairment that shall be used in place of or in  
10 combination with the American Medical Association's "Guides to the  
11 Evaluation of Permanent Impairment". Appropriate and scientific  
12 data shall be considered;

13 5. After public hearing, adopt Oklahoma Treatment Guidelines  
14 and protocols for medical treatment not addressed by the current  
15 edition of the Official Disability Guidelines or addressed but not  
16 recommended in the ODG section in regard to injuries to the  
17 cervical, thoracic, and lumbar spine. The Oklahoma Treatment  
18 Guidelines shall be adopted on or before March 1, 2012, and shall  
19 remain in full force and effect until superseded.

- 20 a. The OTG shall be based upon evidence based medicine  
21 and scientifically based and nationally peer reviewed  
22 literature and shall include treatment for the top  
23 fifteen (15) medically-recognized conditions (ICD-9 or  
24 successor codes).

1           b. When completed, the OTG shall be submitted to the  
2           Oklahoma Workers' Compensation Advisory Council for  
3           review. After due notice and public hearing, the  
4           Council shall issue a report to the Administrator  
5           concerning the OTG submitted. After due notice and  
6           public hearing, the Administrator shall adopt or  
7           reject the proposal submitted. The OTG shall be  
8           submitted by the Administrator to the Governor, the  
9           Speaker of the House of Representatives and the  
10          President Pro Tempore of the Senate within ten (10)  
11          legislative days following adoption. The OTG  
12          submitted shall be subject to disapproval by joint or  
13          concurrent resolution of the Legislature during the  
14          legislative session in which submitted. If  
15          disapproved, the existing treatment guidelines shall  
16          continue in effect. If the Legislature takes no  
17          action on the OTG submitted by the Administrator, the  
18          OTG shall become operative thirty (30) days following  
19          the adjournment of the Legislature;

20          6. After public hearing, adopt Oklahoma Treatment Guidelines  
21          for the prescription and dispensing of any controlled substance  
22          included in Schedule II of the Uniform Controlled Dangerous  
23          Substances Act if not addressed by the current edition of the  
24          Official Disability Guidelines;

1           7. Review utilization on cases or of providers when requested  
2 by any employer, injured employee or insurer. The Committee may  
3 issue a public or private censure to any provider for utilization  
4 which is excessive or inadequate, or recommend the Court order  
5 treatment within the treatment guidelines;

6           8. Provide general recommendations to the judges of the Court  
7 on the issues of injury causation and apportionment;

8           9. Conduct educational seminars for the judges of the Court,  
9 employers, employees, and other interested parties;

10          10. Assist the judges of the Court in accessing medical  
11 information from scientific literature; and

12          11. Report its progress annually to the Governor, the President  
13 Pro Tempore of the Senate, and the Speaker of the House of  
14 Representatives.

15          C. The Court shall be bound by treatment guidelines of the  
16 latest edition of the Official Disability Guidelines or the Oklahoma  
17 Treatment Guidelines.

18          D. Members of the Physician Advisory Committee shall receive no  
19 compensation for serving on the Committee but shall be reimbursed by  
20 the Court for their necessary travel expenses incurred in the  
21 performance of their duties in accordance with the State Travel  
22 Reimbursement Act.

23          E. Meetings of the Physician Advisory Committee shall be called  
24 by the Administrator but held at least quarterly. The presence of a

1 simple majority of the members constitutes a quorum. No action  
2 shall be taken by the Physician Advisory Committee without the  
3 affirmative vote of at least a simple majority of the members.

4 F. The Administrator shall provide office supplies and  
5 personnel of the Court to assist the Committee in the performance of  
6 its duties.

7 G. Upon written request, the Insurance Commissioner, ~~CompSource~~  
8 ~~Oklahoma~~, and every approved self-insured employer in Oklahoma shall  
9 provide the Committee with data necessary to the performance of its  
10 duties.

11 H. Any health care provider acting in good faith and within the  
12 scope of the provider's duties as a member of the Physician Advisory  
13 Committee shall be immune from civil liability for making any report  
14 or other information available to the judges of the Court or to the  
15 Administrator or for assisting in the origination, investigation, or  
16 preparation of the report or other information so provided.

17 SECTION 43. AMENDATORY 85 O.S. 2011, Section 375, is  
18 amended to read as follows:

19 Section 375. There is hereby created and established a fund to  
20 be known as "CompSource Oklahoma", to be administered by a President  
21 and Chief Executive Officer, without liability on the part of the  
22 state beyond the amount of ~~said~~ the fund, for the purpose of  
23 insuring employers against liability for compensation under Sections  
24 ~~131~~ 375 through ~~151~~ 400 of this title, and for assuring for the

1 persons entitled thereto compensation provided by the workers'  
2 compensation law, and for the further purpose of insuring persons,  
3 firms and corporations against loss, expense or liability by reason  
4 of bodily injury, death by accident, occupational disability, or  
5 occupational disease suffered by employees, for which the insured  
6 may be liable or have assumed liability. ~~Said~~ The fund may further  
7 provide insurance for employers against liability incurred as the  
8 result of injuries sustained by employees engaged in employment  
9 subject to the Longshoremen's and Harbor Workers' Compensation Act,  
10 33 U.S.C., Section 901 et seq., or employees engaged in employment  
11 subject to Title IV of the Federal Coal Mine Health and Safety Act  
12 of 1969 as amended by the Black Lung Benefits Act of 1972, as  
13 enacted or as may be amended by the Congress of the United States.

14 (a) CompSource Oklahoma shall be a revolving fund and shall  
15 consist of all premiums received and paid into ~~said~~ the fund for  
16 insurance issued, all property and securities acquired by and  
17 through the use of monies belonging to the fund and all interest  
18 earned upon monies belonging to the fund and deposited or invested  
19 as herein provided.

20 (b) ~~Said~~ The fund shall be applicable to the payment of losses  
21 sustained on account of insurance and to the payment of expenses in  
22 the manner provided in Sections ~~131~~ 375 through ~~151~~ 400 of this  
23 title.

1       (c) ~~Said~~ The fund shall be fairly competitive with other  
 2 insurance carriers and it is the intent of the Legislature that ~~said~~  
 3 the fund shall become neither more nor less than self-supporting.

4       (d) CompSource Oklahoma shall report to the Insurance  
 5 Commissioner no later than the last day of February of each year the  
 6 amount of premium taxes and fees for which it would be liable if it  
 7 were operating as a private carrier.

8       (e) CompSource Oklahoma shall not be subject to:

9       (1) 25 O.S. §§301 - 314, Oklahoma Open Meeting Act;

10       (2) 47 O.S. §§151 - 159.11, State-Owned Automobiles;

11       (3) 51 O.S. §§ 24A.1 - 24A.29, Oklahoma Open Records Act;

12       (4) Title 61 of the Oklahoma Statutes, Public Buildings and  
 13 Public Works;

14       (5) 65 O.S. §§3-101 - 3-115, Department of Libraries;

15       (6) 67 O.S. §§201 - 217, Records Management Act;

16       (7) 67 O.S. §§301 - 303, Reproduction of Public Records;

17       (8) 67 O.S. §§ 305 - 317 , Archives and Record Commission;

18       (9) 73 O.S. §§ 81 - 97, Capitol Grounds and Buildings;

19       (10) 74 O.S. §§ 3301-15, State Agencies;

20       (11) Chapters 4, 8, 10, 13, 19, 30, 31, 48, 49, 53, 56, 81 and  
 21 110A of Title 74;

22       (12) Section 34.2 of Title 80; and

23       (13) all provision from which CompSource Oklahoma was  
 24 permanently exempted pursuant 74 O.S. §§ 3316-17.

1        (f) To facilitate the transition from operating as CompSource  
 2 Oklahoma to CompSource Mutual Insurance Comp, CompSource Oklahoma  
 3 may, but is not required to comply with:

4        (1) Title 62 of the Oklahoma Statutes, Public Finance;

5        (2) Chapters 16, 17, 27A, 37, 37A, 37B, 38A, 38B, 45, 45A, and  
 6 61 of Title 74; and

7        (3) Any other provision in the Oklahoma Statutes as is  
 8 necessary to facilitate the transition from CompSource Oklahoma to  
 9 CompSource Mutual Insurance Company.

10       (g) The official name of the fund which is known as "The State  
 11 Insurance Fund" shall be designated in all future references as  
 12 "CompSource Oklahoma". Any references in the Oklahoma Statutes to  
 13 The State Insurance Fund shall be deemed references to CompSource  
 14 Oklahoma.

15       SECTION 44.        AMENDATORY        85 O.S. 2011, Section 376, as  
 16 amended by Section 1078, Chapter 304, O.S.L. 2012 (85 O.S. Supp.  
 17 2012, Section 376), is amended to read as follows:

18       Section 376. A. There is hereby created a Board to be known as  
 19 the "Board of Managers of CompSource Oklahoma", which ~~Board~~ shall  
 20 have supervision over the administration and operation of CompSource  
 21 Oklahoma, and shall be composed of eight (8) members as follows:

22       1. The Director of the Office of Management and Enterprise  
 23 Services or a designee;

24       2. The Lieutenant Governor or a designee;

1 3. The State Auditor and Inspector or a designee;

2 4. One member appointed by the Governor;

3 5. Two members appointed by the Speaker of the House of  
4 Representatives, one of whom shall be representative of employers;  
5 and

6 6. Two members appointed by the President Pro Tempore of the  
7 Senate, one of whom shall be representative of employees.

8 The appointed members of the Board shall serve at the pleasure of  
9 the appointing authority.

10 B. The members of the Board shall elect annually from their  
11 number a Chair and a Secretary. The Secretary shall keep true and  
12 complete records of all proceedings of the Board. The Board shall  
13 meet quarterly, and at all other times when a meeting is called by  
14 the Chair, and at such meetings the Board may consider the condition  
15 of CompSource Oklahoma and quarterly shall make a detailed  
16 examination into the condition of its reserves and investments and  
17 at each meeting may examine all other matters relating to the  
18 administration of such fund. The time and place of the regular  
19 meetings and the manner in which special meetings may be called  
20 shall be set forth in the bylaws of the ~~said~~ the Fund. Except as  
21 otherwise provided in this act or in the bylaws, all actions shall  
22 be taken by the affirmative vote of a majority of the Board members  
23 present at a meeting, except that no investment policy and no  
24

1 amendment of bylaws shall be valid unless authorized or ratified by  
2 the affirmative vote of at least four Board members.

3 C. Appointed members of the Board shall be reimbursed for  
4 expenses as provided in the State Travel Reimbursement Act. Said  
5 reimbursement, not to exceed thirty (30) days in any calendar year,  
6 shall be paid only when the Board is transacting official business.  
7 Any reimbursement in excess of thirty (30) days shall be approved by  
8 a majority of the Board. The Board shall have access to all records  
9 and books of account and shall have power to require the presence or  
10 appearance of any officer or employee of CompSource Oklahoma. All  
11 information obtained by the members of the Board shall be  
12 confidential unless disclosed by order of the Board.

13 D. No person or organization in a position to influence  
14 official action of members of the Board of Managers of CompSource  
15 Oklahoma, the President and Chief Executive Officer, and the  
16 employees of CompSource Oklahoma shall furnish presents, gratuities,  
17 transportation, lodging, educational seminars, conferences,  
18 meetings, or similar functions to the Board of Managers of  
19 CompSource Oklahoma, the President and Chief Executive Officer, and  
20 the employees of CompSource Oklahoma other than as provided by law  
21 and the rules of the Ethics Commission.

22 E. The official name of the Board of Managers which is known as  
23 the "Board of Managers of the State Insurance Fund" shall be  
24 designated in all future references as the "Board of Managers of

1 CompSource Oklahoma". Any references in the Oklahoma Statutes to  
2 the Board of Managers of the State Insurance Fund shall be deemed  
3 references to the Board of Managers of CompSource Oklahoma.

4 SECTION 45. AMENDATORY 85 O.S. 2011, Section 380, is  
5 amended to read as follows:

6 Section 380. A. 1. Volunteer fire departments organized  
7 pursuant to state law may obtain workers' compensation insurance for  
8 volunteer firefighters through the Volunteer Firefighter Group  
9 Insurance Pool pursuant to requirements established by CompSource  
10 ~~Oklahoma~~ Mutual Insurance Company which shall administer the Pool.  
11 For the premium set by CompSource ~~Oklahoma~~ Mutual Insurance Company,  
12 the state shall provide Fifty-five Dollars (\$55.00) per firefighter  
13 per year. Except as otherwise provided by subsection D of this  
14 section, the total amount paid by the state shall not exceed Three  
15 Hundred Twenty Thousand Three Hundred Thirty-eight Dollars  
16 (\$320,338.00) per year or so much thereof as may be necessary to  
17 fund the Volunteer Firefighter Group Insurance Pool.

18 2. CompSource ~~Oklahoma~~ Mutual Insurance Company shall collect  
19 the premium from state agencies, public trusts and other  
20 instrumentalities of the state. Any funds received by CompSource  
21 ~~Oklahoma~~ Mutual Insurance Company from any state agency, public  
22 trust, or other instrumentality for purposes of workers'  
23 compensation insurance pursuant to this section shall be deposited  
24 to the credit of the Volunteer Firefighter Group Insurance Pool.

1 CompSource ~~Oklahoma~~ Mutual Insurance Company shall collect premiums,  
2 pay claims, and provide for excess insurance as needed.

3 B. CompSource ~~Oklahoma~~ Mutual Insurance Company shall report,  
4 annually, to the Governor, the Speaker of the Oklahoma House of  
5 Representatives, and the President Pro Tempore of the State Senate  
6 the number of enrollees in the Volunteer Firefighter Group Insurance  
7 Pool, and the amount of any anticipated surplus or deficiency of the  
8 Pool; and shall also provide to the Governor, the Speaker of the  
9 Oklahoma House of Representatives and the President Pro Tempore of  
10 the State Senate sixty (60) days advance notice of any proposed  
11 change in rates for the Volunteer Firefighter Group Insurance Pool.

12 C. The amount of claims paid, claim expenses, underwriting  
13 losses, loss ratio, or any other financial aspect of the Volunteer  
14 Firefighter Group Insurance Pool shall not be considered when  
15 determining or considering bids for the amount of any premiums,  
16 rates, or expenses owed by, or any discounts, rebates, dividends, or  
17 other financial benefits owed to any other policyholder of  
18 CompSource ~~Oklahoma~~ Mutual Insurance Company.

19 D. Except as otherwise provided by law, any increase in the  
20 state payment rate for volunteer firefighters under the Volunteer  
21 Firefighter Group Insurance Pool shall not exceed five percent (5%)  
22 per annum. Any proposed change in rates for the Volunteer  
23 Firefighter Group Insurance Pool must be approved by the Board of  
24 ~~Managers~~ Directors of CompSource ~~Oklahoma~~ Mutual Insurance Company

1 with notice provided pursuant to subsection B of this section.  
2 CompSource ~~Oklahoma~~ Mutual Insurance Company shall not increase  
3 premiums for the Volunteer Firefighter Group Insurance Pool more  
4 than once per annum.

5 E. For purposes of this section, the term "volunteer fire  
6 departments" includes those volunteer fire departments which have  
7 authorized voluntary or uncompensated workers rendering services as  
8 firefighters and are created by statute pursuant to Section 592 of  
9 Title 18 of the Oklahoma Statutes, Sections 29-201 through 29-205 of  
10 Title 11 of the Oklahoma Statutes, and those defined by Section 351  
11 of Title 19 of the Oklahoma Statutes.

12 SECTION 46. AMENDATORY 85 O.S. 2011, Section 403, as  
13 amended by Section 1082, Chapter 304, O.S.L. 2012 (85 O.S. Supp.  
14 2012, Section 403), is amended to read as follows:

15 Section 403. A. There is hereby created, for the purposes  
16 declared in this act, the "Multiple Injury Trust Fund" to be derived  
17 from the following sources:

18 1. As soon as practicable after January 1 of each year, the  
19 Administrator of the Workers' Compensation Court shall establish an  
20 assessment rate applicable to each mutual or interinsurance  
21 association, stock company, ~~CompSource Oklahoma~~, or other insurance  
22 carrier writing workers' compensation insurance in this state, each  
23 employer carrying its own risk, and each group self-insurance  
24 association, for amounts for purposes of computing the assessment

1 authorized by this section necessary to pay the annual obligations  
2 of the Multiple Injury Trust Fund determined on or before December  
3 31 of each year by the ~~Board of Managers of CompSource Oklahoma~~  
4 Multiple Injury Trust Fund (MITF) Director to be outstanding for the  
5 next calendar year, and to pay the allocations provided for in  
6 subsection I of this section. The rate shall be equal for all  
7 parties required to pay the assessment. The Board of Directors for  
8 CompSource Mutual Insurance Company shall have the power to  
9 disapprove the rate established by the MITF Director until the  
10 Multiple Injury Trust Fund repays in full the amount due on any loan  
11 from CompSource Mutual Insurance Company or its predecessor  
12 CompSource Oklahoma. If the MITF Director and CompSource Mutual  
13 Insurance Company have not agreed on the assessment rate within  
14 thirty (30) days, the Administrator of the Workers' Compensation  
15 Court shall set an assessment rate sufficient to cover all  
16 foreseeable obligations of the Multiple Injury Trust Fund, including  
17 interest and principal owed by the Fund on any loan. The rate in  
18 effect on ~~the effective date of this act~~ August 26, 2011, shall  
19 remain effective through June 30, 2012;

20 2. The Oklahoma Tax Commission shall assess and collect from  
21 any uninsured employer a temporary assessment at the rate of five  
22 percent (5%) of the total compensation for permanent total  
23 disability awards, permanent partial impairment awards, and death  
24

1 benefits paid out during each quarter of the calendar year by the  
2 employers;

3 3. The assessments shall be paid to the Tax Commission.  
4 Insurance carriers, self-insurers, and group self-insurance  
5 associations ~~and CompSource Oklahoma~~ shall pay the assessment in  
6 four equal installments not later than the fifteenth day of the  
7 month following the close of each quarter of the calendar year of  
8 the assessment. Assessments shall be determined based upon gross  
9 direct written premiums, normal premiums or actual paid losses of  
10 the paying party, as applicable, during the calendar quarter for  
11 which the assessment is due. Uninsured employers shall pay the  
12 assessment not later than the fifteenth day of the month following  
13 the close of each quarter of the calendar year of the assessment.  
14 For purposes of this section, "uninsured employer" means an employer  
15 required by law to carry workers' compensation insurance but who has  
16 failed or neglected to do so. Only one-third (1/3) of assessments  
17 against insurance carriers ~~and CompSource Oklahoma~~ may be charged to  
18 policyholders and shall not be considered in determining whether any  
19 rate is excessive. The remaining two-thirds (2/3) of assessments  
20 against insurance carriers ~~and CompSource Oklahoma~~ may not be  
21 included in any rate, premium, charge, fee, assessment or other  
22 amount to be collected from a policyholder. Insurance carriers ~~and~~  
23 ~~CompSource Oklahoma~~ shall not separately state the amount of the  
24 assessment on any invoice or billing assessment.

1 a. The assessment authorized in this section shall be  
2 determined using a rate equal to the proportion that  
3 the sum of the outstanding obligations of the Multiple  
4 Injury Trust Fund as determined pursuant to paragraph  
5 1 of this subsection and the allocations provided for  
6 in subsection I of this section bear to the combined  
7 gross direct written premiums of all such insurers;  
8 all actual paid losses of all individual self-  
9 insureds; and the normal premium of all group self-  
10 insurance associations, for the year period from  
11 January 1 to December 31 preceding the assessment.

12 b. For purposes of this subsection:

13 (1) "actual paid losses" means all medical and  
14 indemnity payments, including temporary  
15 disability, permanent disability, and death  
16 benefits, and excluding loss adjustment expenses  
17 and reserves, and

18 (2) "normal premium" means a standard premium less  
19 any discounts;

20 4. By April 15 of each year, the Insurance Commissioner, ~~Board~~  
21 ~~of Managers of CompSource Oklahoma~~ the MITF Director and each  
22 individual and group self-insured shall provide the Administrator  
23 with such information as the Administrator may determine is  
24 necessary to effectuate the purposes of this section;

1        5. Each mutual or interinsurance association, stock company~~7~~  
2 ~~CompSource Oklahoma~~, or other insurance carrier writing workers'  
3 compensation insurance in this state, and each employer carrying its  
4 own risk, including each group self-insurance association, shall be  
5 notified by the Administrator in writing of the rate for the  
6 assessment on or before May 1 of each year in which a rate is  
7 determined. The rate determined by the Administrator shall be in  
8 effect for four calendar quarters beginning July 1 following  
9 determination by the Administrator;

10        6.    a. No mutual or interinsurance association, stock  
11                company,~~CompSource Oklahoma~~, or other insurance  
12                carrier writing workers' compensation insurance in  
13                this state, may be assessed in any year an amount  
14                greater than six percent (6%) of the gross direct  
15                written premiums of that insurer.

16                b. No employer carrying its own risk may be assessed in  
17                any year an amount greater than six percent (6%) of  
18                the total actual paid losses of that individual self-  
19                insured.

20                c. No group self-insurance association may be assessed in  
21                any year an amount greater than six percent (6%) of  
22                the normal premium of that group self-insurance  
23                association.

24

1           d.    If the maximum assessment does not provide in any one  
2                    year an amount sufficient to make all necessary  
3                    payments for obligations of the Multiple Injury Trust  
4                    Fund and for the allocations provided for in  
5                    subsection I of this section, the unpaid portion shall  
6                    be paid as soon thereafter as funds become available.

7           B.    The Multiple Injury Trust Fund is hereby authorized to  
8           receive and expend monies appropriated by the Legislature.

9           C.    It shall be the duty of the Tax Commission to collect the  
10           payments provided for in this act. The Tax Commission is hereby  
11           authorized to bring an action for the recovery of any delinquent or  
12           unpaid payments required in this section.

13           D.    Any mutual or interinsurance association, stock company, or  
14           other insurance company, which is subject to regulation by the  
15           Insurance Commissioner, ~~or CompSource Oklahoma,~~ failing to make  
16           payments required in this act promptly and correctly, and failing to  
17           report payment of the same to the Insurance Commission within ten  
18           (10) days of payment shall be subject to administrative penalties as  
19           allowed by law, including but not limited to a fine in the amount of  
20           Five Hundred Dollars (\$500.00) or an amount equal to one percent  
21           (1%) of the unpaid amount, whichever is greater, to be paid to the  
22           Insurance Commissioner.

23           E.    Any employer carrying its own risk, or group self-insurance  
24           association failing to make payments required in this act promptly

1 and correctly, and failing to report payment of the same to the  
2 Administrator within ten (10) days of payment shall be subject to  
3 administrative penalties as allowed by law, including but not  
4 limited to a fine in the amount of Five Hundred Dollars (\$500.00) or  
5 an amount equal to one percent (1%) of the unpaid amount, whichever  
6 is greater, to be paid to the Administrator.

7 F. 1. On or before the first day of April of each year, the  
8 State Treasurer shall advise the Administrator, the ~~Board of~~  
9 ~~Managers of CompSource Oklahoma~~ MITF Director and the Tax Commission  
10 of the amount of money held as of March 1 of that year by the State  
11 Treasurer to the credit of the Multiple Injury Trust Fund. On or  
12 before the first day of November of each year, the State Treasurer  
13 shall advise the Administrator, the ~~Board of Managers of CompSource~~  
14 ~~Oklahoma~~ MITF Director and the Tax Commission of the amount of money  
15 held as of October 1 of that year by the State Treasurer to the  
16 credit of the Multiple Injury Trust Fund.

17 2. Until such time as the Multiple Injury Trust Fund fully  
18 satisfies any loan obligation payable to CompSource Mutual Insurance  
19 Company or its predecessor CompSource Oklahoma, the State Treasurer  
20 shall:

21 a. advise the Chief Executive Officer of CompSource  
22 Mutual Insurance Company on or before April 1 of the  
23 money held as of March 1 of that year by the State  
24

1           Treasurer to the credit of the Multiple Injury Trust  
2           Fund, and

3           b. advise the Chief Executive Officer of CompSource  
4           Mutual Insurance Company on or before November 1 of  
5           the money held as of October 1 of that year by the  
6           State Treasurer to the credit of the Multiple Injury  
7           Trust Fund.

8           G. Eighty percent (80%) of all sums held by the State Treasurer  
9 to the credit of the Multiple Injury Trust Fund may by order of the  
10 ~~CompSource Oklahoma President and Chief Executive Officer~~ MITF  
11 Director, with the approval of the ~~Board of Managers of CompSource~~  
12 ~~Oklahoma~~ Insurance Commissioner, be invested in or loaned on the  
13 pledge of any of the securities in which a state bank may invest the  
14 monies deposited therein by the State Treasurer; or may be deposited  
15 in state or national banks or trust companies upon insured time  
16 deposit bearing interest at a rate no less than currently being paid  
17 upon insured savings accounts in the institutions. As used in this  
18 section, "insured" means insurance as provided by an agency of the  
19 federal government. All such securities or evidence of indebtedness  
20 shall be placed in the hands of the State Treasurer, who shall be  
21 the custodian thereof, who shall collect the principal and interest  
22 when due, and pay the same into the Multiple Injury Trust Fund. The  
23 State Treasurer shall pay by vouchers drawn on the Multiple Injury  
24 Trust Fund for the making of such investments, when signed by the

1 ~~CompSource Oklahoma President and Chief Executive Officer and~~  
2 ~~approved by the Board of Managers of CompSource Oklahoma~~ MITF  
3 Director, upon delivery of such securities or evidence of  
4 indebtedness to the State Treasurer. The ~~CompSource Oklahoma~~  
5 ~~President and Chief Executive Officer~~ MITF Director may, ~~upon like~~  
6 ~~approval of the Board of Managers of CompSource Oklahoma~~, sell any  
7 of such securities, the proceeds thereof to be paid over to the  
8 State Treasurer for the Multiple Injury Trust Fund.

9 H. The refund provisions of Sections 227 through 229 of Title  
10 68 of the Oklahoma Statutes shall be applicable to any payments made  
11 to the Multiple Injury Trust Fund. Refunds shall be paid from and  
12 out of the Multiple Injury Trust Fund.

13 I. The Tax Commission shall pay, monthly, to the State  
14 Treasurer to the credit of the Multiple Injury Trust Fund all monies  
15 collected pursuant to the provisions of this section, less the  
16 annual sum of Two Million Five Hundred Fifty Thousand Dollars  
17 (\$2,550,000.00), of which One Million Two Hundred Seventy-five  
18 Thousand Dollars (\$1,275,000.00) shall be payable by the Oklahoma  
19 Tax Commission to the State Treasurer in equal monthly installments  
20 to the credit of the Department of Labor, Six Hundred Thirty-seven  
21 Thousand Five Hundred Dollars (\$637,500.00) shall be payable in  
22 equal monthly installments to the credit of the Office of the  
23 Attorney General, and Six Hundred Thirty-seven Thousand Five Hundred  
24 Dollars (\$637,500.00) shall be payable in equal monthly installments

1 to the credit of the Oklahoma Department of Career and Technology  
2 Education. Monies received by the Department of Labor under this  
3 section shall be used for safety consultation and the regulation of  
4 the safety of public employees through the Occupational Safety and  
5 Health Act of 1970. Monies received by the Office of the Attorney  
6 General shall be deposited to the credit of the Attorney General's  
7 Workers' Compensation Fraud Unit Revolving Fund created pursuant to  
8 Section 19.2 of Title 74 of the Oklahoma Statutes. Monies received  
9 by the Oklahoma Department of Career and Technology Education shall  
10 supplement other funding to the Department for purposes of  
11 implementing the provisions of subsection B of Section 414 of Title  
12 40 of the Oklahoma Statutes. The State Treasurer shall pay out of  
13 the Multiple Injury Trust Fund only upon the order and direction of  
14 the Workers' Compensation Court acting under the provisions hereof.

15 J. The Administrator shall promulgate rules as the  
16 Administrator deems necessary to effectuate the provisions of this  
17 section.

18 K. The Insurance Commissioner shall promulgate rules relating  
19 to insurers as defined in Title 36 of the Oklahoma Statutes, as the  
20 Insurance Commissioner deems necessary to effectuate the provisions  
21 of this section.

22 ~~L. The Multiple Injury Trust Fund may enter into any agreement~~  
23 ~~with CompSource Oklahoma for the purpose of fulfilling all of its~~  
24 ~~payment obligations.~~

1       ~~M.~~ The Multiple Injury Trust Fund may enter into an agreement  
 2 with any reinsurer licensed to sell reinsurance by the Insurance  
 3 Commissioner pursuant to a competitive process administered by the  
 4 Director of Central Purchasing in the Office of Management and  
 5 Enterprise Services.

6       ~~N.~~ M. Any dividend, rebate, or other distribution, payable by  
 7 ~~CompSource Oklahoma~~ or any other workers' compensation insurance  
 8 carrier, to a state agency policyholder shall be paid to the State  
 9 Treasurer, and shall be credited as follows:

10       1. In the event of failure of the Multiple Injury Trust Fund to  
 11 meet all lawful obligations, the monies shall be credited to the  
 12 Multiple Injury Trust Fund and shall be used by the Multiple Injury  
 13 Trust Fund to meet all lawful obligations of the Multiple Injury  
 14 Trust Fund; and

15       2. Otherwise, all future dividends made by ~~CompSource Oklahoma~~  
 16 ~~or~~ any workers' compensation insurance carrier, on behalf of state  
 17 agencies, shall be deposited to the credit of the General Revenue  
 18 Fund of the State Treasury.

19       SECTION 47.        AMENDATORY        85 O.S. 2011, Section 406, is  
 20 amended to read as follows:

21       Section 406. A. ~~CompSource Oklahoma~~ The chief administrative  
 22 officer of the Multiple Injury Trust Fund (MITF) shall be charged  
 23 with the MITF Director, who shall have supervision over the  
 24 administration and protection of the Multiple Injury Trust Fund and

1 shall be notified by the Administrator of the Workers' Compensation  
2 Court of all proceedings which may affect such fund.

3 1. The person serving as the Administrator of the Multiple  
4 Injury Trust Fund on the date of passage and approval of this act  
5 shall serve as the initial MITF Director, provided such person is  
6 serving as the Administrator of the Multiple Injury Trust Fund on  
7 the effective date of this act.

8 2. Except as provided in paragraph 1 of this subsection, the  
9 MITF Director shall be appointed by and serve at the pleasure of the  
10 Governor.

11 B. ~~CompSource Oklahoma~~ The MITF Director shall have standing  
12 and the authority to appear in any case before the Workers'  
13 Compensation Court in which the Court is considering an award from  
14 the Multiple Injury Trust Fund.

15 C. Any party interested shall have a right to bring a  
16 proceeding in the Supreme Court to review an award of the Court  
17 affecting such Multiple Injury Trust Fund, in the same manner as is  
18 now provided by law with reference to other awards by the Court.

19 D. The State Treasurer shall allocate ~~to CompSource Oklahoma~~  
20 ~~out of the Multiple Injury Trust Fund,~~ sufficient funds out of the  
21 Multiple Injury Trust Fund for administration expenses thereof in  
22 amounts to be fixed and approved by the ~~Administrator for the~~  
23 ~~Multiple Injury Trust Fund~~ MITF Director, unless rejected by the  
24 Governor and Attorney General.

1        E. The MITF Director shall make reports regarding financial and  
2 claims data to the Governor, Workers' Compensation Court and the  
3 Insurance Commissioner upon request.

4        SECTION 48.        AMENDATORY        85 O.S. 2011, Section 407, is  
5 amended to read as follows:

6        Section 407. A. There is hereby created in the State Treasury  
7 the "Workers' Compensation Administration Fund" to be used for the  
8 costs of administering the Workers' Compensation Code and for other  
9 purposes pursuant to legislative appropriation.

10        B. No money on deposit with the State Treasurer to the credit  
11 of the Workers' Compensation Administration Fund shall be expended  
12 except pursuant to legislative appropriation.

13        C. For the purpose of providing funds for the Workers'  
14 Compensation Administration Fund, each mutual or interinsurance  
15 association, stock company, ~~CompSource Oklahoma~~ or other insurance  
16 carrier writing workers' compensation insurance in this state shall  
17 pay to the Oklahoma Tax Commission a tax at a rate of one percent  
18 (1%) of all gross direct premiums written during each quarter of the  
19 calendar year for workers' compensation insurance on risks located  
20 in this state after deducting from such gross direct premiums,  
21 return premiums, unabsorbed portions of any deposit premiums, policy  
22 dividends, safety refunds, savings and other similar returns paid or  
23 credited to policyholders. Such payments to the Tax Commission  
24 shall be made not later than the fifteenth day of the month

1 following the close of each quarter of the calendar year in which  
2 such gross direct premium is collected or collectible.

3 Contributions made by insurance carriers ~~and CompSource Oklahoma,~~  
4 under the provisions of this section, shall be considered for the  
5 purpose of computing workers' compensation rates.

6 D. When an employer is authorized to become a self-insurer, the  
7 Administrator of the Workers' Compensation Court as directed by the  
8 Workers' Compensation Court shall so notify the Tax Commission,  
9 giving the effective date of such authorization. The Tax Commission  
10 shall then assess and collect from the employers carrying their own  
11 risk a tax at the rate of two percent (2%) of the total compensation  
12 for permanent total disability awards, permanent partial impairment  
13 awards and death benefits paid out during each quarter of the  
14 calendar year by the employers. Such tax shall be payable by the  
15 employers and collected by the Tax Commission according to the  
16 provisions of this section regarding payment and collection of the  
17 tax created in subsections C, E, F and G of this section.

18 E. It shall be the duty of the Tax Commission to collect the  
19 payments provided for in this act. The Tax Commission is hereby  
20 authorized to bring an action for the recovery of any delinquent or  
21 unpaid payments required in this section. The Tax Commission may  
22 also enforce payments by proceeding in accordance with the  
23 provisions of Section ~~46~~ 346 of this ~~act~~ title.

24

1 F. The Tax Commission shall pay monthly to the State Treasurer  
2 to the credit of the General Revenue Fund all monies collected under  
3 the provisions of this section.

4 G. The refund provisions of Sections 227 through 229 of Title  
5 68 of the Oklahoma Statutes shall be applicable to any payments made  
6 pursuant to this section.

7 SECTION 49. RECODIFICATION 85 O.S. 2011, Section 375, as  
8 amended by Section 43 of this act, shall be recodified as Section  
9 376.1 of Title 85 of the Oklahoma Statutes, unless there is created  
10 a duplication in numbering.

11 SECTION 50. RECODIFICATION 85 O.S. 2011, Section 376, as  
12 last amended by Section 44 of this act, shall be recodified as  
13 Section 376.2 of Title 85 of the Oklahoma Statutes, unless there is  
14 created a duplication in numbering.

15 SECTION 51. REPEALER 74 O.S. 2011, Section 840-5.10, is  
16 hereby repealed.

17 SECTION 52. REPEALER 76 O.S. 2011, Section 22, is hereby  
18 repealed.

19 SECTION 53. REPEALER 85 O.S. 2011, Section 378, is  
20 hereby repealed.

21 SECTION 54. AMENDATORY 85 O.S. 2011, Section 396, is  
22 amended to read as follows:

23 Section 396. ~~A-~~ Information acquired by the CompSource  
24 Oklahoma President and Chief Executive Officer or the officers or

1 employees of CompSource Oklahoma, from persons, firms or  
2 corporations insured by CompSource Oklahoma, or from employees of  
3 such persons, firms or corporations pursuant to this article shall  
4 not be open to public inspection, and any officer or employee of the  
5 State of Oklahoma, who without authority of the Commissioner, or  
6 pursuant to the rules prescribed by the CompSource Oklahoma  
7 President and Chief Executive Officer, or as otherwise required by  
8 law, shall disclose the same, shall be guilty of a misdemeanor.

9 ~~B. For the purpose of implementing Section 142a of this title,~~  
10 ~~the CompSource Oklahoma President and Chief Executive Officer shall~~  
11 ~~provide to the Commissioner of Labor annually, upon request, a~~  
12 ~~listing of the insureds of CompSource Oklahoma with the name,~~  
13 ~~address and nature of business or occupation of the insured.~~

14 SECTION 55. REPEALER 85 O.S. 2011, Sections 375, as  
15 amended by Section 43 of this act and as recodified by Section 49 of  
16 this act, 376, as last amended by Section 44 of this act and as  
17 recodified by Section 50 of this act, 377, 379, 381, 382, 383, 384,  
18 as amended by Section 1079, Chapter 304, O.S.L. 2012, 385, 386, 387,  
19 as amended by Section 1080, Chapter 304, O.S.L. 2012, 388, 389, as  
20 amended by Section 1081, Chapter 304, O.S.L. 2012, 390, 391, 392,  
21 393, 394, 395, 397, 400 and 401, are hereby repealed.

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23  
24

1 SECTION 56. Sections 54 and 55 of this act shall become  
2 effective January 1, 2015.

3 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/04/2013 - DO  
4 PASS, As Amended.

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