

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1346

By: Kirby

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5
6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2011,
8 Section 307.3, as amended by Section 122, Chapter
9 304, O.S.L. 2012 (36 O.S. Supp. 2012, Section 307.3),
10 which relates to the State Insurance Commissioner
11 Revolving Fund; modifying fees that are not included
12 in fund; amending 36 O.S. 2011, Section 307.5, as
13 amended by Section 123, Chapter 304, O.S.L. 2012 (36
14 O.S. Supp. 2012, Section 307.5), which relates to the
15 Insurance Department Anti-Fraud Revolving Fund;
16 specifying that certain fees shall be deposited into
17 the fund; exempting fees from certain transfer
18 requirements; amending 36 O.S. 2011, Section 362,
19 which relates to fees designated for the
20 investigation and prevention of certain fraud;
21 providing that fees shall be paid into certain fund;
22 providing an effective date; and declaring an
23 emergency.

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

SECTION 1. AMENDATORY 36 O.S. 2011, Section 307.3, as
amended by Section 122, Chapter 304, O.S.L. 2012 (36 O.S. Supp.
2012, Section 307.3), is amended to read as follows:

Section 307.3 A. Effective July 1, 2009, there is hereby
created in the State Treasury a revolving fund for the Insurance
Commissioner called the State Insurance Commissioner Revolving Fund.

1 The revolving fund shall be used to fund the operations of the
2 Office of the Insurance Commissioner.

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

8 a. premium taxes,

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

10 Revolving Fund for the purposes of investigation of

11 suspected insurance fraud and monies transferred to

12 the Attorney General's Insurance Fraud Unit Revolving

13 Fund pursuant to Section 362 of this title,

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

15 Certified Real Estate Appraisers Act, Sections 858-700

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

17 d. health carrier access payments paid to and collected

18 by the Insurance Commissioner and deposited into the

19 Health Carrier Access Payment Revolving Fund, and

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

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

22 assessed and collected.

23 2. The revolving fund shall be a continuing fund, not subject

24 to fiscal year limitations. Expenditures from the revolving fund

1 shall be made pursuant to the laws of this state and the statutes
2 relating to the Insurance Department. Warrants for expenditures
3 from the revolving fund shall be drawn by the State Treasurer, based
4 on claims signed by an authorized employee or employees of the
5 Insurance Department and filed with the Director of the Office of
6 Management and Enterprise Services.

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

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

17 SECTION 2. AMENDATORY 36 O.S. 2011, Section 307.5, as
18 amended by Section 123, Chapter 304, O.S.L. 2012 (36 O.S. Supp.
19 2012, Section 307.5), is amended to read as follows:

20 Section 307.5 A. There is hereby created in the State Treasury
21 a revolving fund for the Oklahoma Insurance Department, to be
22 designated the "Insurance Department Anti-Fraud Revolving Fund".
23 The fund shall be a continuing fund, not subject to fiscal year
24 limitation, and shall consist of any monies designated to the fund

1 as provided in subsections B and C of this section. Warrants for
2 expenditures from the revolving fund shall be drawn by the State
3 Treasurer, based on claims signed by an authorized employee or
4 employees of the Insurance Department and filed with the Director of
5 the Office of Management and Enterprise Services. The fund shall be
6 used for the purpose of administering investigations of abuse,
7 negligence or criminal conduct regarding insurance laws or
8 regulations.

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

13 C. ~~Each~~ Except as provided in subsection D of this subsection,
14 each year, the Department shall transfer to the General Revenue Fund
15 the first Four Hundred Eighty-two Thousand Five Hundred Dollars
16 (\$482,500.00) collected by the Department and deposited in the
17 Insurance Department Anti-Fraud Revolving Fund. The next Five
18 Hundred Thousand Dollars (\$500,000.00) collected by the Department
19 each year shall be divided evenly between the Department and the
20 Oklahoma Attorney General. All collections to be submitted to the
21 Attorney General shall be deposited in the Attorney General's
22 Insurance Fraud Unit Revolving Fund. Any collections above Nine
23 Hundred Eighty-two Thousand Five Hundred Dollars (\$982,500.00) shall
24 be deposited each year into the Insurance Department Anti-Fraud

1 Revolving Fund and shall be retained for use by the Department for
2 the purposes of administering investigations of abuse, negligence or
3 criminal conduct regarding insurance laws or regulations.

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

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

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

1 warranty associations; surplus lines carriers; multiple employer
2 welfare arrangements (MEWAs); trusts which write surety policies;
3 prepaid dental plan organizations; and accredited reinsurers. The
4 payments shall be due on or before the last day of the month
5 following each calendar quarter. Beginning in the calendar year
6 2010, payment of the annual fee shall be made as one payment of
7 Seven Hundred Fifty Dollars (\$750.00) which shall be paid on or
8 before July 1. Within sixty (60) days after each calendar quarter
9 in which monies are collected, the Commissioner shall transfer
10 twenty-five percent (25%) of all monies collected by the Insurance
11 Department pursuant to this section to the Attorney General's
12 Insurance Fraud Unit Revolving Fund created in Section 19.3 of Title
13 74 of the Oklahoma Statutes, for use by the Attorney General in the
14 investigation and prosecution of insurance fraud.

15 SECTION 4. This act shall become effective July 1, 2013.

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

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21 54-1-5138 AMM 12/20/12

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