

BILL SUMMARY
1st Session of the 54th Legislature

Bill No.:	SB1026
Version:	Engrossed
Request Number:	
Author:	Representative Grau Senator Bingman
Date:	4/15/2013
Impact:	\$0

Research Analysis

SB1026 creates the CompSource Mutual Insurance Company Act for the purpose of converting CompSource Oklahoma into a domestic mutual insurer beginning January 1, 2015. The measure establishes the CompSource Mutual Insurance Company (CompSource Co.) which will be organized under state law, but independent of the State of Oklahoma. The company would be subject to the provisions in Title 36 governing private insurer and required to pay premium taxes. CompSource Co. would not be considered a state entity under the Executive Branch and therefore, exempt from various state statutes governing a public entity.

CompSource Co. would continue to be the state's insurer of last resort and be required to provide worker's compensation insurance to any employer in the state, including volunteer firefighters. The measure also prohibits the dissolution of the CompSource Co.

The measure provides that CompSource Co. would be governed by a board of directors composed of 10 members, of which the majority is appointed by state government officials. Board members are authorized to serve staggered six year terms expiring July 1. The measure also authorizes the board to employ a Chief Executive Officer (CEO) to serve as an ex-officio nonvoting member of the board and oversee the privatization of CompSource. The board would have the authority to set insurance rates with the assistance of an independent actuary. CompSource Co would be required to establish and maintain adequate reserves as required by the Insurance Commission and may exercise all rights, privileges, powers and authority of a mutual insurance company licensed to transact workers' compensation insurance in Oklahoma. Effective January 1, 2015, CompSource Co would be considered a continuation of CompSource Oklahoma and absorb all remaining properties, debts, claim and other assets or liabilities previously held by CompSource Oklahoma.

Current employees of CompSource Oklahoma would remain members of the Oklahoma Public Employees Retirement System (OPERS) until termination or retirement and may transfer annual and sick leave accumulated prior to January 1, 2015.

The measure provides that the Administrator of the Multiple Injury Trust Fund on the date of passage and approval of the Act would serve as the initial director of the Multiple Injury Trust and assume certain responsibilities held by the CompSource Oklahoma Director and Board of Managers of CompSource Oklahoma. Any succeeding director would be appointed and serve at the pleasure of the Governor. Finally, the measure modifies references to incorporate changes proposed by the measure and repeals numerous provisions in Title 85.

Prepared By: Quyen Do

Fiscal Analysis

Engrossed SB1026 has no fiscal impact on state revenues.

Prepared By: Marilyn Anderson

Other Considerations

None.

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