

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 HOUSE BILL NO. 2205

By: Echols of the House

and

Sykes of the Senate

8 COMMITTEE SUBSTITUTE

9 An Act relating to workers' compensation; amending 85
10 O.S. 2011, Section 380, as amended by Section 45,
Chapter 254, O.S.L. 2013 (85 O.S. Supp. 2015, Section
11 380), which relates to Volunteer Firefighters Group
Insurance Pool; modifying entity to establish
12 requirements for certain insurance; requiring
selection of certain company through competitive bid;
13 modifying entity to collect certain premiums;
modifying entity required to submit certain report;
14 modifying procedures for changing certain rates;
amending Sections 2, 7, 45, as amended by Section 2,
Chapter 390, O.S.L. 2015, 46, 62, 68, 108, 109, 110,
15 as amended by Section 4, Chapter 390, O.S.L. 2015,
111, 112, as amended by Section 5, Chapter 390,
16 O.S.L. 2015, 113 and 118, as amended by Section 6,
Chapter 390, O.S.L. 2015, Chapter 208, O.S.L. 2013
17 (85A O.S. Supp. 2015, Sections 2, 7, 45, 46, 62, 68,
201, 202, 203, 204, 205, 206 and 211), which relate
18 to discrimination, disability, soft tissue injury,
rebuttable presumption, the Oklahoma Employee Injury
19 Benefit Act, qualified employers, benefit plans,
compensation, Oklahoma Option Insured and Self-
20 insured Guaranty Funds, fees and appellate rights;
modifying definitions; modifying jurisdictional
21 requirement for certain claims; establishing
liability for damages for certain violations;
22 specifying burden of proof for certain violations;
modifying requirements for award of temporary total
23 disability; modifying requirements for award of
permanent partial disability; modifying calculation
24 for specified permanent partial disability; modifying

1 definitions; modifying procedures for application for
2 certain employer status; requiring certain notice;
3 requiring issuance of certain certificate; modifying
4 procedures for confirmation of certain status;
5 modifying procedures for certain notification;
6 specifying fee schedule for certain groups; modifying
7 requirements for certain benefit plans; clarifying
8 applicability of certain insurance coverage;
9 conforming language; modifying procedures for appeal
10 of denial of certain claims; requiring maintenance of
11 certain records; requiring certain notice;
12 establishing filing fee for certain appeals; and
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 85 O.S. 2011, Section 380, as
16 amended by Section 45, Chapter 254, O.S.L. 2013 (85 O.S. Supp. 2015,
17 Section 380), is amended to read as follows:

18 Section 380. A. 1. Volunteer fire departments organized
19 pursuant to state law may obtain workers' compensation insurance for
20 volunteer firefighters through the Volunteer Firefighter Group
21 Insurance Pool pursuant to requirements established by ~~CompSource~~
22 ~~Mutual Insurance Company~~ an insurance company selected by the Office
23 of Management and Enterprise Services through a competitive bid
24 which shall administer the Pool. For the premium set by ~~CompSource~~
~~Mutual Insurance Company~~ the insurance company, the state shall
provide Fifty-five Dollars (\$55.00) per firefighter per year.
Except as otherwise provided by subsection D of this section, the
total amount paid by the state shall not exceed Three Hundred Twenty

1 Thousand Three Hundred Thirty-eight Dollars (\$320,338.00) per year
2 or so much thereof as may be necessary to fund the Volunteer
3 Firefighter Group Insurance Pool.

4 2. ~~CompSource Mutual Insurance Company~~ The Office of Management
5 and Enterprise Services shall collect all appropriations for the
6 ~~premium from~~ premiums that were provided to state agencies, public
7 trusts and other instrumentalities of the state prior to the
8 effective date of this act. Any funds received by ~~CompSource Mutual~~
9 ~~Insurance Company~~ the insurance company from ~~any state agency,~~
10 ~~public trust, or other instrumentality~~ the Office of Management and
11 Enterprise Services for purposes of workers' compensation insurance
12 pursuant to this section shall be deposited to the credit of the
13 Volunteer Firefighter Group Insurance Pool. ~~CompSource Mutual~~
14 ~~Insurance Company~~ The insurance company shall collect premiums, pay
15 claims, and provide for excess insurance as needed.

16 B. ~~CompSource Mutual Insurance Company~~ The Office of Management
17 and Enterprise Services shall report, annually, to the Governor, the
18 Speaker of the Oklahoma House of Representatives, and the President
19 Pro Tempore of the State Senate the number of enrollees in the
20 Volunteer Firefighter Group Insurance Pool, and the amount of any
21 anticipated surplus or deficiency of the Pool; and shall also
22 provide to the Governor, the Speaker of the Oklahoma House of
23 Representatives and the President Pro Tempore of the State Senate
24 sixty (60) days advance notice of any proposed change in rates for

1 the Volunteer Firefighter Group Insurance Pool as determined by the
2 insurance company.

3 C. The amount of claims paid, claim expenses, underwriting
4 losses, loss ratio, or any other financial aspect of the Volunteer
5 Firefighter Group Insurance Pool shall not be considered when
6 determining or considering bids for the amount of any premiums,
7 rates, or expenses owed by, or any discounts, rebates, dividends, or
8 other financial benefits owed to any other policyholder of
9 ~~CompSource Mutual Insurance Company~~ the insurance company.

10 D. Except as otherwise provided by law, any increase in the
11 state payment rate for volunteer firefighters under the Volunteer
12 Firefighter Group Insurance Pool shall not exceed five percent (5%)
13 per annum. Any proposed change in rates for the Volunteer
14 Firefighter Group Insurance Pool ~~must~~ shall be approved by the ~~Board~~
15 ~~of Directors of CompSource Mutual Insurance Company~~ Office of
16 Management and Enterprise Services with notice provided pursuant to
17 subsection B of this section. ~~CompSource Mutual Insurance Company~~
18 The insurance company shall not increase premiums for the Volunteer
19 Firefighter Group Insurance Pool more than once per annum.

20 E. For purposes of this section, the term "volunteer fire
21 departments" includes those volunteer fire departments which have
22 authorized voluntary or uncompensated workers rendering services as
23 firefighters and are created by statute pursuant to Section 592 of
24 Title 18 of the Oklahoma Statutes, Sections 29-201 through 29-204 of

1 Title 11 of the Oklahoma Statutes, and those defined by Section 351
2 of Title 19 of the Oklahoma Statutes.

3 SECTION 2. AMENDATORY Section 2, Chapter 208, O.S.L.
4 2013 (85A O.S. Supp. 2015, Section 2), is amended to read as
5 follows:

6 Section 2. As used in the Administrative Workers' Compensation
7 Act:

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

11 2. "Carrier" means any stock company, mutual company, or
12 reciprocal or interinsurance exchange authorized to write or carry
13 on the business of workers' compensation insurance in this state.
14 Whenever required by the context, the term "carrier" shall be deemed
15 to include duly qualified self-insureds or self-insured groups;

16 3. "Case management" means the ongoing coordination, by a case
17 manager, of health care services provided to an injured or disabled
18 worker, including but not limited to systematically monitoring the
19 treatment rendered and the medical progress of the injured or
20 disabled worker; ensuring that any treatment plan follows all
21 appropriate treatment protocols, utilization controls and practice
22 parameters; assessing whether alternative health care services are
23 appropriate and delivered in a cost-effective manner based upon
24

1 acceptable medical standards; and ensuring that the injured or
2 disabled worker is following the prescribed health care plan;

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

- 10 a. Certified Disability Management Specialist (CDMS),
- 11 b. Certified Case Manager (CCM),
- 12 c. Certified Rehabilitation Registered Nurse (CRRN),
- 13 d. Case Manager - Certified (CMC),
- 14 e. Certified Occupational Health Nurse (COHN), or
- 15 f. Certified Occupational Health Nurse Specialist (COHN-
16 S);

17 5. "Certified workplace medical plan" means an organization of
18 health care providers or any other entity, certified by the State
19 Commissioner of Health, that is authorized to enter into a
20 contractual agreement with an employer, group self-insurance
21 association plan, an employer's workers' compensation insurance
22 carrier, third-party administrator or an insured to provide medical
23 care under the Administrative Workers' Compensation Act. Certified
24 plans shall only include plans which provide medical services and

1 payment for services on a fee-for-service basis to medical
2 providers;

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

16 7. "Claimant" means a person who claims benefits for an injury
17 or occupational disease pursuant to the provisions of the
18 Administrative Workers' Compensation Act;

19 8. "Commission" means the Workers' Compensation Commission;

20 9. a. "Compensable injury" means damage or harm to the
21 physical structure of the body, or prosthetic
22 appliances, including eyeglasses, contact lenses, or
23 hearing aids, caused solely as the result of either an
24 accident, cumulative trauma or occupational disease

1 arising out of the course and scope of employment. An
2 "accident" means an event involving factors external
3 to the employee that:

4 (1) was unintended, unanticipated, unforeseen,
5 unplanned and unexpected,

6 (2) occurred at a specifically identifiable time and
7 place,

8 (3) occurred by chance or from unknown causes, and

9 (4) was independent of sickness, mental incapacity,
10 bodily infirmity or any other cause.

11 b. "Compensable injury" does not include:

12 (1) injury to any active participant in assaults or
13 combats which, although they may occur in the
14 workplace, are the result of non-employment-
15 related hostility or animus of one, both, or all
16 of the combatants and which assault or combat
17 amounts to a deviation from customary duties;
18 provided, however, injuries caused by horseplay
19 shall not be considered to be compensable
20 injuries, except for innocent victims,

21 (2) injury incurred while engaging in or performing
22 or as the result of engaging in or performing any
23 recreational or social activities for the
24 employee's personal pleasure,

- 1 (3) injury which was inflicted on the employee at a
2 time when employment services were not being
3 performed or before the employee was hired or
4 after the employment relationship was terminated,
- 5 (4) injury where the accident was caused by the use
6 of alcohol, illegal drugs, or prescription drugs
7 used in contravention of physician's orders. If,
8 within twenty-four (24) hours of being injured or
9 reporting an injury, an employee tests positive
10 for intoxication, an illegal controlled
11 substance, or a legal controlled substance used
12 in contravention to a treating physician's
13 orders, or refuses to undergo the drug and
14 alcohol testing, there shall be a rebuttable
15 presumption that the injury was caused by the use
16 of alcohol, illegal drugs, or prescription drugs
17 used in contravention of physician's orders.
18 This presumption may only be overcome if the
19 employee proves by objective, clear and
20 convincing evidence that his or her state of
21 intoxication had no causal relationship to the
22 injury,
- 23 (5) any strain, degeneration, damage or harm to, or
24 disease or condition of, the eye or

1 musculoskeletal structure or other body part
2 resulting from the natural results of aging,
3 osteoarthritis, arthritis, or degenerative
4 process including, but not limited to,
5 degenerative joint disease, degenerative disc
6 disease, degenerative
7 spondylosis/spondylolisthesis and spinal
8 stenosis, or

9 (6) any preexisting condition except when the
10 treating physician clearly confirms an
11 identifiable and significant aggravation incurred
12 in the course and scope of employment.

13 c. The definition of "compensable injury" shall not be
14 construed to limit or abrogate the right to recover
15 for mental injuries as described in Section 13 of this
16 act, heart or lung injury or illness as described in
17 Section 14 of this act, or occupational diseases as
18 described in Section 65 of this act.

19 d. A compensable injury shall be established by medical
20 evidence supported by objective findings as defined in
21 paragraph 30 of this section.

22 e. The injured employee shall prove by a preponderance of
23 the evidence that he or she has suffered a compensable
24 injury.

1 f. Benefits shall not be payable for a condition which
2 results from a non-work-related independent
3 intervening cause following a compensable injury which
4 causes or prolongs disability, aggravation, or
5 requires treatment. A non-work-related independent
6 intervening cause does not require negligence or
7 recklessness on the part of a claimant.

8 g. An employee who suffers a compensable injury shall be
9 entitled to receive compensation as prescribed in this
10 act. Notwithstanding other provisions of law, if it
11 is determined that a compensable injury did not occur,
12 the employee shall not be entitled to compensation
13 under this act;

14 10. "Compensation" means the money allowance payable to the
15 employee or to his or her dependents and includes the medical
16 services and supplies provided for in Section 50 of this act and
17 funeral expenses;

18 11. "Consequential injury" means injury or harm to a part of
19 the body that is a direct result of the injury or medical treatment
20 to the part of the body originally injured in the claim. The
21 Commission shall not make a finding of a consequential injury unless
22 it is established by objective medical evidence that medical
23 treatment for such part of the body is required;

1 12. "Continuing medical maintenance" means medical treatment
2 that is reasonable and necessary to maintain claimant's condition
3 resulting from the compensable injury or illness after reaching
4 maximum medical improvement. Continuing medical maintenance shall
5 not include diagnostic tests, surgery, injections, counseling,
6 physical therapy, or pain management devices or equipment;

7 13. "Course and scope of employment" means an activity of any
8 kind or character for which the employee was hired and that relates
9 to and derives from the work, business, trade or profession of an
10 employer, and is performed by an employee in the furtherance of the
11 affairs or business of an employer. The term includes activities
12 conducted on the premises of an employer or at other locations
13 designated by an employer and travel by an employee in furtherance
14 of the affairs of an employer that is specifically directed by the
15 employer. This term does not include:

- 16 a. an employee's transportation to and from his or her
17 place of employment,
- 18 b. travel by an employee in furtherance of the affairs of
19 an employer if the travel is also in furtherance of
20 personal or private affairs of the employee,
- 21 c. any injury occurring in a parking lot or other common
22 area adjacent to an employer's place of business
23 before the employee clocks in or otherwise begins work
24

1 for the employer or after the employee clocks out or
2 otherwise stops work for the employer, or

3 d. any injury occurring while an employee is on a work
4 break, unless the injury occurs while the employee is
5 on a work break inside the employer's facility and the
6 work break is authorized by the employee's supervisor;

7 14. "Cumulative trauma" means an injury to an employee that is
8 caused by the combined effect of repetitive physical activities
9 extending over a period of time in the course and scope of
10 employment. Cumulative trauma shall not mean fatigue, soreness or
11 general aches and pain that may have been caused, aggravated,
12 exacerbated or accelerated by the employee's course and scope of
13 employment. Cumulative trauma shall have resulted directly and
14 independently of all other causes and the employee shall have
15 completed at least one hundred eighty (180) days of continuous
16 active employment with the employer;

17 15. "Death" means only death resulting from compensable injury
18 as defined in paragraph 9 of this section;

19 16. "Disability" means incapacity because of compensable injury
20 to earn, in the same or any other employment, substantially the same
21 amount of wages the employee was receiving at the time of the
22 compensable injury;

23 17. "Drive-away operations" includes every person engaged in
24 the business of transporting and delivering new or used vehicles by

1 driving, either singly or by towbar, saddle-mount or full-mount
2 method, or any combination thereof, with or without towing a
3 privately owned vehicle;

4 18. a. "Employee" means any person, including a minor, in the
5 service of an employer under any contract of hire or
6 apprenticeship, written or oral, expressed or implied,
7 but excluding one whose employment is casual and not
8 in the course of the trade, business, profession, or
9 occupation of his or her employer and excluding one
10 who is required to perform work for a municipality or
11 county or the state or federal government on having
12 been convicted of a criminal offense or while
13 incarcerated. "Employee" shall also include a member
14 of the Oklahoma National Guard while in the
15 performance of duties only while in response to state
16 orders and any authorized voluntary or uncompensated
17 worker, rendering services as a firefighter, peace
18 officer or emergency management worker. Travel by a
19 policeman, fireman, or a member of a first aid or
20 rescue squad, in responding to and returning from an
21 emergency, shall be deemed to be in the course of
22 employment.

23 b. The term "employee" shall not include:
24

- 1 (1) any person for whom an employer is liable under
2 any Act of Congress for providing compensation to
3 employees for injuries, disease or death arising
4 out of and in the course of employment including,
5 but not limited to, the Federal Employees'
6 Compensation Act, the Federal Employers'
7 Liability Act, the Longshore and Harbor Workers'
8 Compensation Act and the Jones Act, to the extent
9 his or her employees are subject to such acts,
- 10 (2) any person who is employed in agriculture or
11 horticulture by an employer who had a gross
12 annual payroll in the preceding calendar year of
13 less than One Hundred Thousand Dollars
14 (\$100,000.00) wages for agricultural or
15 horticultural workers, or any person who is
16 employed in agriculture or horticulture who is
17 not engaged in operation of motorized machines,
- 18 (3) any person who is a licensed real estate sales
19 associate or broker, paid on a commission basis,
- 20 (4) any person who is providing services in a medical
21 care or social services program, or who is a
22 participant in a work or training program,
23 administered by the Department of Human Services,
24 unless the Department is required by federal law

1 or regulations to provide workers' compensation
2 for such person. This division shall not be
3 construed to include nursing homes,

4 (5) any person employed by an employer with five or
5 fewer total employees, all of whom are related by
6 blood or marriage to the employer, if the
7 employer is a natural person or a general or
8 limited partnership, or an incorporator of a
9 corporation if the corporation is the employer,

10 (6) any person employed by an employer which is a
11 youth sports league which qualifies for exemption
12 from federal income taxation pursuant to federal
13 law,

14 (7) sole proprietors, members of a partnership,
15 individuals who are party to a franchise
16 agreement as set out by the Federal Trade
17 Commission franchise disclosure rule, 16 CFR
18 436.1 through 436.11, members of a limited
19 liability company who own at least ten percent
20 (10%) of the capital of the limited liability
21 company or any stockholder-employees of a
22 corporation who own ten percent (10%) or more
23 stock in the corporation, unless they elect to be
24 covered by a policy of insurance covering

1 benefits under the Administrative Workers'
2 Compensation Act,

3 (8) any person providing or performing voluntary
4 service who receives no wages for the services
5 other than meals, drug or alcohol rehabilitative
6 therapy, transportation, lodging or reimbursement
7 for incidental expenses except for volunteers
8 specifically provided for in subparagraph a of
9 this paragraph,

10 (9) a person, commonly referred to as an owner-
11 operator, who owns or leases a truck-tractor or
12 truck for hire, if the owner-operator actually
13 operates the truck-tractor or truck and if the
14 person contracting with the owner-operator is not
15 the lessor of the truck-tractor or truck.

16 Provided, however, an owner-operator shall not be
17 precluded from workers' compensation coverage
18 under the Administrative Workers' Compensation
19 Act if the owner-operator elects to participate
20 as a sole proprietor,

21 (10) a person referred to as a drive-away owner-
22 operator who privately owns and utilizes a tow
23 vehicle in drive-away operations and operates
24 independently for hire, if the drive-away owner-

1 operator actually utilizes the tow vehicle and if
2 the person contracting with the drive-away owner-
3 operator is not the lessor of the tow vehicle.
4 Provided, however, a drive-away owner-operator
5 shall not be precluded from workers' compensation
6 coverage under the Administrative Workers'
7 Compensation Act if the drive-away owner-operator
8 elects to participate as a sole proprietor, and

9 (11) any person who is employed as a domestic servant
10 or as a casual worker in and about a private home
11 or household, which private home or household had
12 a gross annual payroll in the preceding calendar
13 year of less than Fifty Thousand Dollars
14 (\$50,000.00) for such workers;

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

1 Except as provided otherwise, this act applies to all public and
2 private entities and institutions. Employer shall not include a
3 qualified employer with an employee benefit plan as provided under
4 the Oklahoma Employee Injury Benefit Act in Sections 107 through 120
5 of this act;

6 20. "Employment" includes work or labor in a trade, business,
7 occupation or activity carried on by an employer or any authorized
8 voluntary or uncompensated worker rendering services as a
9 firefighter, peace officer or emergency management worker;

10 21. "Evidence-based" means expert-based, literature-supported
11 and outcomes validated by well-designed randomized trials when such
12 information is available and which uses the best available evidence
13 to support medical decision making;

14 22. "Gainful employment" means the capacity to perform
15 employment for wages for a period of time that is not part-time,
16 occasional or sporadic;

17 23. "Impaired self-insurer" means a private self-insurer or
18 group self-insurance association that fails to pay its workers'
19 compensation obligations, or is financially unable to do so and is
20 the subject of any proceeding under the Federal Bankruptcy Reform
21 Act of 1978, and any subsequent amendments or is the subject of any
22 proceeding in which a receiver, custodian, liquidator,
23 rehabilitator, trustee or similar officer has been appointed by a
24

1 court of competent jurisdiction to act in lieu of or on behalf of
2 the self-insurer;

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

5 25. "Insurance Commissioner" means the Insurance Commissioner
6 of the State of Oklahoma;

7 26. "Insurance Department" means the Insurance Department of
8 the State of Oklahoma;

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

16 28. "Maximum medical improvement" means that no further
17 material improvement would reasonably be expected from medical
18 treatment or the passage of time;

19 29. "Medical services" means those services specified in
20 Section 50 of this act;

21 30. "Misconduct" shall include the following:

- 22 a. unexplained absenteeism or tardiness,
- 23 b. willful or wanton indifference to or neglect of the
24 duties required,

- c. willful or wanton breach of any duty required by the employer,
- d. the mismanagement of a position of employment by action or inaction,
- e. actions or omissions that place in jeopardy the health, life, or property of self or others,
- f. dishonesty,
- g. wrongdoing,
- h. violation of a law, or
- i. a violation of a policy or rule adopted to ensure orderly work or the safety of self or others;

31. a. (1) "Objective findings" are those findings which cannot come under the voluntary control of the patient.

(2) (a) When determining permanent disability, a physician, any other medical provider, an administrative law judge, the Commission or the courts shall not consider complaints of pain.

(b) For the purpose of making permanent disability ratings to the spine, physicians shall use criteria established by the ~~most~~ ~~current~~ sixth edition of the American

1 Medical Association "Guides to the
2 Evaluation of Permanent Impairment".

3 (3) (a) Objective evidence necessary to prove
4 permanent disability in occupational hearing
5 loss cases may be established by medically
6 recognized and accepted clinical diagnostic
7 methodologies, including, but not limited
8 to, audiological tests that measure air and
9 bone conduction thresholds and speech
10 discrimination ability.

11 (b) Any difference in the baseline hearing
12 levels shall be confirmed by subsequent
13 testing; provided, however, such test shall
14 be given within four (4) weeks of the
15 initial baseline hearing level test but not
16 before five (5) days after being adjusted
17 for presbycusis.

18 b. Medical opinions addressing compensability and
19 permanent disability shall be stated within a
20 reasonable degree of medical certainty;

21 32. "Official Disability Guidelines" or "ODG" means the current
22 edition of the Official Disability Guidelines and the ODG Treatment
23 in Workers' Comp as published by the Work Loss Data Institute;

1 33. "Permanent disability" means the extent, expressed as a
2 percentage, of the loss of a portion of the total physiological
3 capabilities of the human body as established by competent medical
4 evidence and based on the current edition of the American Medical
5 Association guides to the evaluation of impairment, if the
6 impairment is contained therein;

7 34. "Permanent partial disability" means a permanent disability
8 or loss of use after maximum medical improvement has been reached
9 which prevents the injured employee, who has been released to return
10 to work by the treating physician, from returning to his or her pre-
11 injury or equivalent job. All evaluations of permanent partial
12 disability must be supported by objective findings;

13 35. "Permanent total disability" means, based on objective
14 findings, incapacity, based upon accidental injury or occupational
15 disease, to earn wages in any employment for which the employee may
16 become physically suited and reasonably fitted by education,
17 training, experience or vocational rehabilitation provided under
18 this act. Loss of both hands, both feet, both legs, or both eyes,
19 or any two thereof, shall constitute permanent total disability;

20 36. "Preexisting condition" means any illness, injury, disease,
21 or other physical or mental condition, whether or not work-related,
22 for which medical advice, diagnosis, care or treatment was
23 recommended or received preceding the date of injury;

1 37. "Pre-injury or equivalent job" means the job that the
2 claimant was working for the employer at the time the injury
3 occurred or any other employment offered by the claimant's employer
4 that pays at least one hundred percent (100%) of the employee's
5 average weekly wage;

6 38. "Private self-insurer" means a private employer that has
7 been authorized to self-insure its workers' compensation obligations
8 pursuant to this act, but does not include group self-insurance
9 associations authorized by this act, or any public employer that
10 self-insures pursuant to this act;

11 39. "Prosthetic" means an artificial device used to replace a
12 part or joint of the body that is lost or injured in an accident or
13 illness covered by this act;

14 40. "Scheduled member" or "member" means ~~hands, fingers, arms,~~
15 ~~legs, feet, toes, and eyes. In addition, for purposes of the~~
16 ~~Multiple Injury Trust Fund only, "scheduled member" means hearing~~
17 ~~impairment~~ the body parts listed in Section 46 of this title which
18 are amputated or have permanent loss of use;

19 41. "Scientifically based" involves the application of
20 rigorous, systematic, and objective procedures to obtain reliable
21 and valid knowledge relevant to medical testing, diagnoses and
22 treatment; is adequate to justify the general conclusions drawn; and
23 has been accepted by a peer-review journal or approved by a panel of
24

1 independent experts through a comparably rigorous, objective, and
2 scientific review;

3 42. "State average weekly wage" means the state average weekly
4 wage determined by the Oklahoma Employment Security Commission in
5 the preceding calendar year. If such determination is not
6 available, the Commission shall determine the wage annually after
7 reasonable investigation;

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

11 44. "Surgery" does not include an injection, or the forcing of
12 fluids beneath the skin, for treatment or diagnosis;

13 45. "Surviving spouse" means the employee's spouse by reason of
14 a legal marriage recognized by the State of Oklahoma or under the
15 requirements of a common law marriage in this state, as determined
16 by the Workers' Compensation Commission;

17 46. "Temporary partial disability" means an injured employee
18 who is temporarily unable to perform his or her job, but may perform
19 alternative work offered by the employer;

20 47. "Time of accident" or "date of accident" means the time or
21 date of the occurrence of the accidental incident from which
22 compensable injury, disability, or death results; and

23 48. "Wages" means money compensation received for employment at
24 the time of the accident, including the reasonable value of board,

1 rent, housing, lodging, or similar advantage received from the
2 employer and includes the amount of tips required to be reported by
3 the employer under Section 6053 of the Internal Revenue Code and the
4 regulations promulgated pursuant thereto or the amount of actual
5 tips reported, whichever amount is greater.

6 SECTION 3. AMENDATORY Section 7, Chapter 208, O.S.L.
7 2013 (85A O.S. Supp. 2015, Section 7), is amended to read as
8 follows:

9 Section 7. A. An employer may not discriminate or retaliate
10 against an employee when the employee has in good faith:

- 11 1. Filed a claim under this act;
- 12 2. Retained a lawyer for representation regarding a claim under
13 this act;
- 14 3. Instituted or caused to be instituted any proceeding under
15 the provisions of this act; or
- 16 4. Testified or is about to testify in any proceeding under the
17 provisions of this act.

18 B. ~~The Commission shall have exclusive jurisdiction to hear and
19 decide claims based on subsection A of this section.~~

20 C. ~~If the Commission determines that the defendant violated
21 subsection A of this section, the Commission may award the employee
22 back pay up to a maximum of One Hundred Thousand Dollars
23 ~~(\$100,000.00)~~ If a district court of this state determines that an
24 employer violated a provision of this section, such employer shall~~

1 be liable for reasonable compensatory damages suffered by an
2 employee as a result of the violation. The employee shall have the
3 burden of proof to show such violation by a preponderance of the
4 evidence. Interim earnings or amounts earnable with reasonable
5 diligence by the person discriminated against shall reduce the ~~back~~
6 ~~pay~~ compensatory damages otherwise allowable.

7 ~~D.~~ C. The prevailing party shall be entitled to recover costs
8 and a reasonable attorney fee.

9 ~~E.~~ D. No employer may discharge an employee during a period of
10 temporary total disability for the sole reason of being absent from
11 work or for the purpose of avoiding payment of temporary total
12 disability benefits to the injured employee.

13 ~~F.~~ E. Notwithstanding any other provision of this section, an
14 employer shall not be required to rehire or retain an employee who,
15 after temporary total disability has been exhausted, is determined
16 by a physician to be physically unable to perform his or her
17 assigned duties, or whose position is no longer available.

18 ~~G.~~ F. This section shall not be construed as establishing an
19 exception to the employment at will doctrine.

20 ~~H.~~ G. The remedies provided for in this section shall be
21 exclusive with respect to any claim arising out of the conduct
22 described in subsection A of this section.

23

24

1 SECTION 4. AMENDATORY Section 45, Chapter 208, O.S.L.
2 2013, as amended by Section 2, Chapter 390, O.S.L. 2015 (85A O.S.
3 Supp. 2015, Section 45), is amended to read as follows:

4 Section 45. A. Temporary Total Disability.

5 1. If the injured employee is temporarily unable to perform his
6 or her job or any alternative work offered by the employer, he or
7 she shall be entitled to receive compensation equal to seventy
8 percent (70%) of the injured employee's average weekly wage, but not
9 to exceed seventy percent (70%) of the state average weekly wage,
10 for one hundred four (104) weeks. Provided, there shall be no
11 payment for the first three (3) days of the initial period of
12 temporary total disability. If an administrative law judge finds
13 that a consequential injury has occurred and that additional time is
14 needed to reach maximum medical improvement, temporary total
15 disability may continue for a period of not more than an additional
16 fifty-two (52) weeks. Such finding shall be based upon a showing of
17 medical necessity by clear and convincing evidence.

18 2. When the injured employee is released from active medical
19 treatment by the treating physician for all body parts found by the
20 Commission to be injured, or in the event that the employee, ~~without~~
21 ~~a valid excuse,~~ misses three consecutive medical treatment two or
22 more appointments as prescribed under Section 57 of this title,
23 fails to comply with medical orders of the treating physician, or
24 otherwise abandons medical care, the employer shall be entitled to

1 terminate temporary total disability by notifying the employee, or
2 if represented, his or her counsel. If, however, an objection to
3 the termination is filed by the employee within ten (10) days of
4 termination, the Commission shall set the matter within twenty (20)
5 days for a determination if temporary total disability compensation
6 shall be reinstated. The temporary total disability shall remain
7 terminated unless the employee proves the existence of a valid
8 excuse for his or her failure to comply with medical orders of the
9 treating physician or his or her abandonment of medical care. The
10 administrative law judge may appoint an independent medical examiner
11 to determine if further medical treatment is reasonable and
12 necessary. The independent medical examiner shall not provide
13 treatment to the injured worker, unless agreed upon by the parties.

14 B. Temporary Partial Disability.

15 1. If the injured employee is temporarily unable to perform his
16 or her job, but may perform alternative work offered by the
17 employer, he or she shall be entitled to receive compensation equal
18 to ~~the greater of~~ seventy percent (70%) of the difference between
19 the injured employee's average weekly wage before the injury and his
20 or her weekly wage for performing alternative work after the injury,
21 but only if his or her weekly wage for performing the alternative
22 work is less than the temporary total disability rate. However, the
23 injured employee's actual earnings plus temporary partial disability
24 shall not exceed the temporary total disability rate.

1 2. Compensation under this subsection may not exceed fifty-two
2 (52) weeks.

3 3. If the employee refuses to perform the alternative work
4 offered by the ~~employee~~ employer, he or she shall not be entitled to
5 benefits under subsection A of this section or under this section.

6 C. Permanent Partial Disability.

7 1. A permanent partial disability award or combination of
8 awards granted an injured worker may not exceed a permanent partial
9 disability rating of one hundred percent (100%) to any body part or
10 to the body as a whole. The determination of permanent partial
11 disability shall be the responsibility of the Commission through its
12 administrative law judges. Any claim by an employee for
13 compensation for permanent partial disability must be supported by
14 competent medical testimony of a medical doctor, osteopathic
15 physician, or chiropractor, and shall be supported by objective
16 ~~medical~~ findings, as defined in this act. The opinion of the
17 physician shall include employee's percentage of permanent partial
18 disability and whether or not the disability is job-related and
19 caused by the accidental injury or occupational disease. A
20 physician's opinion of the nature and extent of permanent partial
21 disability to parts of the body ~~other than scheduled members~~ must be
22 based solely on criteria established by the ~~current~~ sixth edition of
23 the American Medical Association's "Guides to the Evaluation of
24 Permanent Impairment". A copy of any written evaluation shall be

1 sent to both parties within seven (7) days of issuance. Medical
2 opinions addressing compensability and permanent disability must be
3 stated within a reasonable degree of medical certainty. Any party
4 may submit the report of an evaluating physician.

5 2. Permanent partial disability shall not be allowed to a part
6 of the body for which no medical treatment has been received. A
7 determination of permanent partial disability made by the Commission
8 or administrative law judge which is not supported by objective
9 ~~medical~~ findings provided by a treating physician who is a medical
10 doctor, doctor of osteopathy, chiropractor or a qualified
11 independent medical examiner shall be considered an abuse of
12 discretion.

13 3. The examining physician shall not deviate from the Guides
14 except as may be specifically provided for in the Guides.

15 4. In cases of permanent partial disability, the compensation
16 shall be seventy percent (70%) of the employee's average weekly
17 wage, not to exceed Three Hundred Twenty-three Dollars (\$323.00) per
18 week, for a term not to exceed a total of three hundred fifty (350)
19 weeks for the body as a whole.

20 5. ~~Except pursuant to settlement agreements entered into by the~~
21 ~~employer and employee, payment of a permanent partial disability~~
22 ~~award shall be deferred and held in reserve by the employer or~~
23 ~~insurance company if the employee has reached maximum medical~~
24 ~~improvement and has been released to return to work by his or her~~

1 ~~treating physician, and then returns to his pre-injury or equivalent~~
2 ~~job for a term of weeks determined by dividing the total dollar~~
3 ~~value of the award by seventy percent (70%) of the employee's~~
4 ~~average weekly wage.~~

5 ~~a. The amount of the permanent partial disability award~~
6 ~~shall be reduced by seventy percent (70%) of the~~
7 ~~employee's average weekly wage for each week he works~~
8 ~~in his pre-injury or equivalent job.~~

9 ~~b. If, for any reason other than misconduct as defined in~~
10 ~~Section 2 of this act, the employer terminates the~~
11 ~~employee or the position offered is not the pre-injury~~
12 ~~or equivalent job, the remaining permanent partial~~
13 ~~disability award shall be paid in a lump sum. If the~~
14 ~~employee is discharged for misconduct, the employer~~
15 ~~shall have the burden to prove that the employee~~
16 ~~engaged in misconduct.~~

17 ~~c. If the employee refuses an offer to return to his pre-~~
18 ~~injury or equivalent job, the permanent partial~~
19 ~~disability award shall continue to be deferred and~~
20 ~~shall be reduced by seventy percent (70%) of the~~
21 ~~employee's average weekly wage for each week he~~
22 ~~refuses to return to his pre-injury or equivalent job.~~

23 ~~d. Attorney fees for permanent partial disability awards,~~
24 ~~as approved by the Commission, shall be calculated~~

1 ~~based upon the total permanent partial disability~~
2 ~~award and paid in full at the time of the deferral.~~

3 ~~e. Assessments pursuant to Sections 31, 98, 112 and 165~~
4 ~~of this act shall be calculated based upon the amount~~
5 ~~of the permanent partial disability award and shall be~~
6 ~~paid at the time of the deferral.~~

7 6. Previous Disability: The fact that an employee has suffered
8 previous disability or received compensation therefor shall not
9 preclude the employee from compensation for a later accidental
10 personal injury or occupational disease. In the event there exists
11 a previous permanent partial disability, including a previous non-
12 work-related injury or condition which produced permanent partial
13 disability and the same is aggravated or accelerated by an
14 accidental personal injury or occupational disease, compensation for
15 permanent partial disability shall be only for such amount as was
16 caused by such accidental personal injury or occupational disease
17 and no additional compensation shall be allowed for the preexisting
18 disability or impairment. Any such reduction shall not apply to
19 temporary total disability, nor shall it apply to compensation for
20 medical treatment.

21 a. If workers' compensation benefits have previously been
22 awarded through settlement or judicial or
23 administrative determination in Oklahoma, the
24 percentage basis of the prior settlement or award

1 shall conclusively establish the amount of permanent
2 partial disability determined to be preexisting. If
3 workers' compensation benefits have not previously
4 been awarded through settlement or judicial or
5 administrative determination in Oklahoma, the amount
6 of preexisting permanent partial disability shall be
7 established by competent evidence.

8 b. In all cases, the applicable reduction shall be
9 calculated as follows:

10 (1) if the preexisting impairment is the result of
11 injury sustained while working for the employer
12 against whom workers' compensation benefits are
13 currently being sought, any award of compensation
14 shall be reduced by the current dollar value
15 attributable under the Administrative Workers'
16 Compensation Act to the percentage of permanent
17 partial disability determined to be preexisting.
18 The current dollar value shall be calculated by
19 multiplying the percentage of preexisting
20 permanent partial disability by the compensation
21 rate in effect on the date of the accident or
22 injury against which the reduction will be
23 applied, and
24

1 (2) in all other cases, the employer against whom
2 benefits are currently being sought shall be
3 entitled to a credit for the percentage of
4 preexisting permanent partial disability.

5 ~~7.~~ 6. No payments on any permanent partial disability order
6 shall begin until payments on any preexisting permanent partial
7 disability orders have been completed.

8 ~~8.~~ 7. The whole body shall represent a maximum of three hundred
9 fifty (350) weeks.

10 ~~9.~~ 8. The permanent partial disability rate of compensation for
11 amputation or permanent total loss of use of a scheduled member
12 specified in Section 46 of this act shall be seventy percent (70%)
13 of the employee's average weekly wage, not to exceed Three Hundred
14 Twenty-three Dollars (\$323.00), multiplied by the number of weeks
15 set forth for the member in Section 46 of this act, regardless of
16 whether the injured employee is able to return to his or her pre-
17 injury or equivalent job.

18 ~~10.~~ 9. An injured employee who is eligible for permanent
19 partial disability under this subsection shall be entitled to
20 receive vocational rehabilitation services provided by a technology
21 center or public secondary school offering vocational-technical
22 education courses, or a member institution of The Oklahoma State
23 System of Higher Education, which shall include retraining and job
24 placement to restore the employee to gainful employment. Vocational

1 rehabilitation services or training shall not extend for a period of
2 more than fifty-two (52) weeks.

3 D. Permanent Total Disability.

4 1. In case of total disability adjudged to be permanent,
5 seventy percent (70%) of the employee's average weekly wages, but
6 not in excess of the state's average weekly wage, shall be paid to
7 the employee during the continuance of the disability until such
8 time as the employee reaches the age of maximum Social Security
9 retirement benefits or for a period of fifteen (15) years, whichever
10 is longer. In the event the claimant dies of causes unrelated to
11 the injury or illness, benefits shall cease on the date of death.
12 Provided, however, any person entitled to revive the action shall
13 receive a one-time lump-sum payment equal to twenty-six (26) weeks
14 of weekly benefits for permanent total disability awarded the
15 claimant. If more than one person is entitled to revive the claim,
16 the lump-sum payment shall be evenly divided between or among such
17 persons. In the event the Commission awards both permanent partial
18 disability and permanent total disability benefits, the permanent
19 total disability award shall not be due until the permanent partial
20 disability award is paid in full. If otherwise qualified according
21 to the provisions of this act, permanent total disability benefits
22 may be awarded to an employee who has exhausted the maximum period
23 of temporary total disability even though the employee has not
24 reached maximum medical improvement.

1 2. The Commission shall annually review the status of any
2 employee receiving benefits for permanent total disability against
3 the last employer. The Commission shall require the employee to
4 annually file an affidavit under penalty of perjury stating that he
5 or she is not and has not been gainfully employed and is not capable
6 of gainful employment. Failure to file such affidavit shall result
7 in suspension of benefits; provided, however, reinstatement of
8 benefits may occur after proper hearing before the Commission.

9 E. 1. The Workers' Compensation Commission shall hire or
10 contract for a Vocational Rehabilitation Director to oversee the
11 vocational rehabilitation program of the Commission.

12 2. The Vocational Rehabilitation Director shall help injured
13 workers return to the work force. If the injured employee is unable
14 to return to his or her pre-injury or equivalent position due to
15 permanent restrictions as determined by the treating physician, upon
16 the request of either party, the Vocational Rehabilitation Director
17 shall determine if it is appropriate for a claimant to receive
18 vocational rehabilitation training or services, and will oversee
19 such training. If appropriate, the Vocational Rehabilitation
20 Director shall issue administrative orders, including, but not
21 limited to, an order for a vocational rehabilitation evaluation for
22 any injured employee unable to work for at least ninety (90) days.
23 In addition, the Vocational Rehabilitation Director may assign
24 injured workers to vocational rehabilitation counselors for

1 coordination of recommended services. The cost of the services
2 shall be paid by the employer. All administrative orders are
3 subject to appeal to the full Commission.

4 3. There shall be a presumption in favor of ordering vocational
5 rehabilitation services or training for an eligible injured employee
6 under the following circumstances:

- 7 a. if the employee's occupation is truck driver or
8 laborer and the medical condition is traumatic brain
9 injury, stroke or uncontrolled vertigo,
- 10 b. if the employee's occupation is truck driver or
11 laborer performing high-risk tasks and the medical
12 condition is seizures,
- 13 c. if the employee's occupation is manual laborer and the
14 medical condition is bilateral wrist fusions,
- 15 d. if the employee's occupation is assembly-line worker
16 and the medical condition is radial head fracture with
17 surgical excision,
- 18 e. if the employee's occupation is heavy laborer and the
19 medical condition is myocardial infarction with
20 congestive heart failure,
- 21 f. if the employee's occupation is heavy manual laborer
22 and the medical condition is multilevel neck or back
23 fusions greater than two levels,

24

- 1 g. if the employee's occupation is laborer performing
2 overhead work and the medical condition is massive
3 rotator cuff tears, with or without surgery,
- 4 h. if the employee's occupation is heavy laborer and the
5 medical condition is recurrent inguinal hernia
6 following unsuccessful surgical repair,
- 7 i. if the employee's occupation is heavy manual laborer
8 and the medical condition is total knee replacement or
9 total hip replacement,
- 10 j. if the employee's occupation is roofer and the medical
11 condition is calcaneal fracture, medically or
12 surgically treated,
- 13 k. if the employee's occupation is laborer of any kind
14 and the medical condition is total shoulder
15 replacement,
- 16 l. if the employee's occupation is laborer and the
17 medical condition is amputation of a hand, arm, leg,
18 or foot,
- 19 m. if the employee's occupation is laborer and the
20 medical condition is tibial plateau fracture, pilon
21 fracture,
- 22 n. if the employee's occupation is laborer and the
23 medical condition is ankle fusion or knee fusion,
24

- 1 o. if the employee's occupation is driver or heavy
2 equipment operator and the medical condition is
3 unilateral industrial blindness, or
4 p. if the employee's occupation is laborer and the
5 medical condition is 3-, 4-, or 5-level positive
6 discogram of the cervical spine or lumbar spine,
7 medically treated.

8 4. Upon the request of either party, or by order of an
9 administrative law judge, the Vocational Rehabilitation Director
10 shall assist the Workers' Compensation Commission in determining if
11 it is appropriate for a claimant to receive vocational
12 rehabilitation training or services. If appropriate, the
13 administrative law judge shall refer the employee to a qualified
14 expert for evaluation of the practicability of, need for and kind of
15 rehabilitation services or training necessary and appropriate in
16 order to restore the employee to gainful employment. The cost of
17 the evaluation shall be paid by the employer. Following the
18 evaluation, if the employee refuses the services or training ordered
19 by the administrative law judge, or fails to complete in good faith
20 the vocational rehabilitation training ordered by the administrative
21 law judge, then the cost of the evaluation and services or training
22 rendered may, in the discretion of the administrative law judge, be
23 deducted from any award of benefits to the employee which remains
24 unpaid by the employer. Upon receipt of such report, and after

1 affording all parties an opportunity to be heard, the administrative
2 law judge shall order that any rehabilitation services or training,
3 recommended in the report, or such other rehabilitation services or
4 training as the administrative law judge may deem necessary,
5 provided the employee elects to receive such services, shall be
6 provided at the expense of the employer. Except as otherwise
7 provided in this subsection, refusal to accept rehabilitation
8 services by the employee shall in no way diminish any benefits
9 allowable to an employee.

10 5. The administrative law judge may order vocational
11 rehabilitation before the injured employee reaches maximum medical
12 improvement, if the treating physician believes that it is likely
13 that the employee's injury will prevent the employee from returning
14 to his or her former employment. In granting early benefits for
15 vocational rehabilitation, the Commission shall consider temporary
16 restrictions and the likelihood that such rehabilitation will return
17 the employee to gainful employment earlier than if such benefits are
18 granted after the permanent partial disability hearing in the claim.

19 6. Vocational rehabilitation services or training shall not
20 extend for a period of more than fifty-two (52) weeks. A request
21 for vocational rehabilitation services or training shall be filed
22 with the Commission by an interested party not later than sixty (60)
23 days from the date of receiving permanent restrictions that prevent
24

1 the injured employee from returning to his or her pre-injury or
2 equivalent position.

3 7. If rehabilitation requires residence at or near the facility
4 or institution which is away from the employee's customary
5 residence, reasonable cost of the employee's board, lodging, travel,
6 tuition, books and necessary equipment in training shall be paid for
7 by the insurer in addition to weekly compensation benefits to which
8 the employee is otherwise entitled under the Administrative Workers'
9 Compensation Act.

10 8. During the period when an employee is actively and in good
11 faith being evaluated or participating in a retraining or job
12 placement program for purposes of evaluating permanent total
13 disability status, the employee shall be entitled to receive
14 benefits at the same rate as the employee's temporary total
15 disability benefits for an additional fifty-two (52) weeks. All
16 tuition related to vocational rehabilitation services shall be paid
17 by the employer or the employer's insurer on a periodic basis
18 directly to the facility providing the vocational rehabilitation
19 services or training to the employee. The employer or employer's
20 insurer may deduct the amount paid for tuition from compensation
21 awarded to the employee.

22 F. Disfigurement.

23 1. If an injured employee incurs serious and permanent
24 disfigurement to any part of the body, the Commission may award

1 compensation to the injured employee in an amount not to exceed
2 Fifty Thousand Dollars (\$50,000.00).

3 2. No award for disfigurement shall be entered until twelve
4 (12) months after the injury.

5 3. An injured employee shall not be entitled to compensation
6 under this subsection if he or she receives an award for permanent
7 partial disability to the same part of the body.

8 G. Benefits for a single-event injury shall be determined by
9 the law in effect at the time of injury. Benefits for a cumulative
10 trauma injury or occupational disease or illness shall be determined
11 by the law in effect at the time the employee knew or reasonably
12 should have known that the injury, occupational disease or illness
13 was related to work activity. Benefits for death shall be
14 determined by the law in effect at the time of death.

15 SECTION 5. AMENDATORY Section 46, Chapter 208, O.S.L.
16 2013 (85A O.S. Supp. 2015, Section 46), is amended to read as
17 follows:

18 Section 46. A. ~~An~~ In lieu of compensation provided pursuant to
19 paragraph 4 of subsection C of Section 45 of this title, an injured
20 employee who is entitled to receive permanent partial disability
21 compensation under Section 45 of this act suffers amputation or
22 permanent loss of use of a scheduled member shall receive
23 compensation for each part of the body in accordance with equal to
24 seventy percent (70%) of the employee's average weekly wage, not to

1 exceed Three Hundred Twenty-three Dollars (\$323.00) multiplied by
2 the number of weeks for the scheduled ~~loss~~ member set forth ~~below.~~
3 as follows:

- 4 1. Arm amputated at the elbow, or between the elbow and
5 shoulder, two hundred seventy-five (275) weeks;
- 6 2. Arm amputated between the elbow and wrist, two hundred
7 twenty (220) weeks;
- 8 3. Leg amputated at the knee, or between the knee and the hip,
9 two hundred seventy-five (275) weeks;
- 10 4. Leg amputated between the knee and the ankle, two hundred
11 twenty (220) weeks;
- 12 5. Hand amputated, two hundred twenty (220) weeks;
- 13 6. Thumb amputated, sixty-six (66) weeks;
- 14 7. First finger amputated, thirty-nine (39) weeks;
- 15 8. Second finger amputated, thirty-three (33) weeks;
- 16 9. Third finger amputated, twenty-two (22) weeks;
- 17 10. Fourth finger amputated, seventeen (17) weeks;
- 18 11. Foot amputated, two hundred twenty (220) weeks;
- 19 12. Great toe amputated, thirty-three (33) weeks;
- 20 13. Toe other than great toe amputated, eleven (11) weeks;
- 21 14. Eye enucleated, in which there was useful vision, two
22 hundred seventy-five (275) weeks;
- 23 15. Loss of hearing of one ear, one hundred ten (110) weeks;

24

1 16. Loss of hearing of both ears, three hundred thirty (330)
2 weeks; and

3 17. Loss of one testicle, fifty-three (53) weeks; loss of both
4 testicles, one hundred fifty-eight (158) weeks.

5 B. The permanent partial disability rate of compensation for
6 amputation or permanent total loss of use of a scheduled member
7 specified in this section shall be seventy percent (70%) of the
8 employee's average weekly wage, not to exceed Three Hundred Twenty-
9 three Dollars (\$323.00), multiplied by the number of weeks as set
10 forth in this section, regardless of whether or not the injured
11 employee is able to return to his or her pre-injury job.

12 C. Other cases: In cases in which the Commission finds an
13 injury to a part of the body not specifically covered by the
14 foregoing provisions of this section, the employee may be entitled
15 to compensation for permanent partial disability. The compensation
16 ordered paid shall be seventy percent (70%) of the employee's
17 average weekly wage, not to exceed Three Hundred Twenty-three
18 Dollars (\$323.00) for the number of weeks which the partial
19 disability of the employee bears to three hundred fifty (350) weeks.

20 D. 1. Compensation for amputation of the first phalange of a
21 digit shall be one-half (1/2) of the compensation for the amputation
22 of the entire digit.

23 2. Compensation for amputation of more than one phalange of a
24 digit shall be the same as for amputation of the entire digit.

1 E. 1. Compensation for the permanent loss of eighty percent
2 (80%) or more of the vision of an eye shall be the same as for the
3 loss of an eye.

4 2. In all cases of permanent loss of vision, the use of
5 corrective lenses may be taken into consideration in evaluating the
6 extent of loss of vision.

7 F. Compensation for amputation or loss of use of two or more
8 digits or one or more phalanges of two or more digits of a hand or a
9 foot may be proportioned to the total loss of use of the hand or the
10 foot occasioned thereby but shall not exceed the compensation for
11 total loss of a hand or a foot.

12 G. Compensation for permanent total loss of use of a member
13 shall be the same as for amputation of the member.

14 H. The sum of all permanent partial disability awards,
15 excluding awards against the Multiple Injury Trust Fund, shall not
16 exceed three hundred fifty (350) weeks.

17 SECTION 6. AMENDATORY Section 62, Chapter 208, O.S.L.
18 2013 (85A O.S. Supp. 2015, Section 62), is amended to read as
19 follows:

20 Section 62. A. Notwithstanding the provisions of Section 45 of
21 this act, if an employee suffers a nonsurgical soft tissue injury,
22 temporary total disability compensation shall not exceed eight (8)
23 weeks, regardless of the number of parts of the body to which there
24 is a nonsurgical soft tissue injury. An employee who is treated

1 with an epidural steroid injection ~~or injections~~ shall be entitled
2 to an extension of an additional eight (8) weeks total, regardless
3 of the number of injections. An employee who has been recommended
4 by a treating physician for surgery for a soft tissue injury may
5 petition the Workers' Compensation Commission for one extension of
6 temporary total disability compensation and the Commission may order
7 an extension, not to exceed sixteen (16) additional weeks. If the
8 surgery is not performed within thirty (30) days of the approval of
9 the surgery by the employer, its insurance carrier, or an order of
10 the Commission authorizing the surgery, and the delay is caused by
11 the employee acting in bad faith, the benefits for the extension
12 period shall be terminated and the employee shall reimburse the
13 employer any temporary total disability compensation he or she
14 received beyond eight (8) weeks. An epidural steroid injection, or
15 any procedure of the same or similar physical invasiveness, shall
16 not be considered surgery.

17 B. For purposes of this section, "soft tissue injury" means
18 damage to one or more of the tissues that surround bones and joints.
19 Soft tissue injury includes, but is not limited to, sprains,
20 strains, contusions, tendonitis and muscle tears. Cumulative trauma
21 is to be considered a soft tissue injury. Soft tissue injury does
22 not include any of the following:

23 1. Injury to or disease of the spine, spinal discs, spinal
24 nerves or spinal cord, where corrective surgery is performed;

1 2. Brain or closed-head injury as evidenced by:

2 a. sensory or motor disturbances,

3 b. communication disturbances,

4 c. complex integrated disturbances of cerebral function,

5 d. episodic neurological disorders, or

6 e. other brain and closed-head injury conditions at least

7 as severe in nature as any condition provided in

8 subparagraphs a through d of this paragraph; or

9 3. Any joint replacement.

10 SECTION 7. AMENDATORY Section 68, Chapter 208, O.S.L.

11 2013 (85A O.S. Supp. 2015, Section 68), is amended to read as

12 follows:

13 Section 68. A. Unless an employee gives oral or written notice

14 to the employer within ~~thirty (30)~~ fifteen (15) days of the date an

15 injury occurs, the rebuttable presumption shall be that the injury

16 was not work-related. Such presumption ~~must~~ may be overcome by a

17 preponderance of the evidence. If the notice of injury is not

18 timely given but the employee overcomes the presumption, no

19 compensation shall be due for the time period prior to the date

20 notice was given. In no event shall compensation be allowed if

21 notice is not given within one hundred twenty (120) days after the

22 date of the injury.

23 B. Unless an employee gives oral or written notice to the

24 employer within thirty (30) days of the employee's separation from

1 employment, there shall be a rebuttable presumption that an
2 occupational disease or cumulative trauma injury did not arise out
3 of and in the course of employment. Such presumption ~~must~~ may be
4 overcome by a preponderance of the evidence.

5 SECTION 8. AMENDATORY Section 108, Chapter 208, O.S.L.
6 2013 (85A O.S. Supp. 2015, Section 201), is amended to read as
7 follows:

8 Section 201. A. As used in the Oklahoma Employee Injury
9 Benefit Act:

10 1. "Benefit plan" means a written plan established by a
11 qualified employer under the requirements of ~~Section 110 of this act~~
12 the Employee Injury Benefit Act;

13 2. "Commission" means the Workers' Compensation Commission
14 under the Administrative Workers' Compensation Act;

15 3. ~~"Commissioner" means the Insurance Commissioner of the State~~
16 ~~of Oklahoma~~ "Claimant" means a covered employee or his or her
17 representative or beneficiary who claims benefits under the Employee
18 Injury Benefit Act;

19 4. "Covered employee" means an employee whose employment with a
20 qualified employer is principally located within the state;

21 5. "Department" means the Insurance Department of the State of
22 Oklahoma;

23
24

1 6. "Employee" means any person defined as an employee pursuant
2 to Section 2 of this act;

3 ~~6.~~ 7. "Employer", except when otherwise expressly stated, means
4 a person, partnership, association, limited liability company,
5 corporation, and the legal representatives of a deceased employer,
6 or the receiver or trustee of a person, partnership, association,
7 corporation, or limited liability company, department,
8 instrumentality or institution of this state and divisions thereof,
9 counties and divisions thereof and other political subdivisions of
10 this state and public trusts employing a person included within the
11 term employee as defined in this section;

12 8. "Fully insured plan" means insurance coverage of one hundred
13 percent (100%) of an employer's statutory benefit liability, which
14 may include a self-insured retention of up to Twenty-five Thousand
15 Dollars (\$25,000.00) per person, per occurrence;

16 ~~7.~~ 9. "Occupational injury disease" ~~means an injury, including~~
17 ~~death, or occupational illness, causing internal or external harm to~~
18 ~~the body, which arises out of and in the course of employment shall~~
19 have the same meaning provided pursuant to Section 65 of this title;

20 ~~8.~~ 10. "Qualified employer" means an employer ~~otherwise subject~~
21 ~~to the Administrative Workers' Compensation Act that voluntarily~~
22 ~~elects~~ is approved to be exempt from ~~such act~~ the Administrative
23 Workers' Compensation Act by satisfying the requirements under ~~this~~
24 ~~act~~ the Employee Injury Benefit Act; and

1 ~~9.~~ 11. "Surviving spouse" means the covered employee's spouse
2 by reason of a legal marriage recognized by the State of Oklahoma or
3 under the requirements of a common law marriage in this state.

4 B. Unless otherwise defined in this section, defined terms in
5 the Administrative Workers' Compensation Act shall have the same
6 meaning in ~~this act~~ the Employee Injury Benefit Act.

7 SECTION 9. AMENDATORY Section 109, Chapter 208, O.S.L.
8 2013 (85A O.S. Supp. 2015, Section 202), is amended to read as
9 follows:

10 Section 202. A. Any employer may ~~voluntarily elect~~ apply to ~~be~~
11 ~~exempt from the Administrative Workers' Compensation Act~~ and become
12 a qualified employer ~~if the employer~~ by submitting to the
13 Department:

14 1. ~~Is in compliance with the notice requirements in subsections~~
15 ~~B and H of this section~~ A qualified employer election form published
16 by the Department; and

17 2. ~~Has established a written~~ A benefit plan as described in
18 ~~Section 110 of this act~~ and its proposed effective date, subject to
19 the Department's approval;

20 3. An annual nonrefundable fee of One Thousand Five Hundred
21 Dollars (\$1,500.00);

22 4. The notice to employees required by subsection G of this
23 section; and

1 5. Any additional information required pursuant to rules
2 promulgated by the Department.

3 B. ~~An employer that has elected~~ The Department shall notify an
4 employer whether it has met the requirements to become a qualified
5 employer ~~by satisfying the.~~ If such requirements of this section
6 ~~shall notify the Insurance Commissioner in writing of the election~~
7 ~~and the date that the election is to become effective, which may not~~
8 ~~be sooner than the date that the qualified employer satisfies the~~
9 ~~employee notice requirements in this section. Such qualified~~
10 ~~employer shall pay to the Commissioner an annual nonrefundable fee~~
11 ~~of One Thousand Five Hundred Dollars (\$1,500.00) on the date of~~
12 ~~filing written notice and every year thereafter~~ have been met, the
13 Department shall issue a certificate of qualified employer to the
14 employer. If such requirements have not been met, the notice shall
15 contain a description of the deficiencies and how such deficiencies
16 may be resolved.

17 C. ~~The Commissioner~~ Department shall collect and maintain the
18 information required under this section and shall monitor compliance
19 with the requirements of this section. ~~The Commissioner~~ Department
20 may ~~also~~ require ~~an~~ a qualified employer to provide information
21 periodically to confirm its qualified employer status. Subject to
22 ~~subsection D of this section, the Commissioner~~ that it is still in
23 compliance with the requirements of a qualified employer. The
24 Department shall adopt rules designating the methods and procedures

1 for confirming whether an employer ~~is~~ has met and continues to meet
2 the requirements to become a qualified employer, notifying an
3 employer of any ~~qualifying~~ deficiencies, and the consequences
4 ~~thereof~~ of noncompliance with the requirements of the Employee
5 Injury Benefit Act. The Commissioner Department shall record the
6 ~~date and time each notice of qualified employer~~ that an employer is
7 approved as a qualified employer and the date that such status is
8 ~~received and the becomes effective date of qualified employer~~
9 ~~election. The Commissioner Department shall maintain a list on its~~
10 official website accessible by the public of all qualified employers
11 and the date ~~and time~~ that such exemption status became effective.

12 D. ~~Except as otherwise expressly provided in this act, neither~~
13 ~~the Workers' Compensation Commission, the courts of this state, or~~
14 ~~any state administrative agencies shall promulgate rules or any~~
15 ~~procedures related to design, documentation, implementation,~~
16 ~~administration or funding of a qualified employer's benefit plan~~ If
17 the Department determines that a qualified employer is deficient in
18 any requirements, it shall provide written notice of the deficiency
19 to the employer. Within ten (10) days, the qualified employer shall
20 provide proof to the Department that it has cured the deficiency or
21 it shall automatically lose status as a qualified employer and
22 become subject to the provisions of the Administrative Workers'
23 Compensation Act. An employer that has lost status as a qualified
24 employer may reapply for such status.

1 E. The ~~Commissioner~~ Department may designate an information
2 collection agent, implement an electronic reporting and public
3 information access program, and adopt rules as necessary to
4 implement the information collection requirements of this section.

5 ~~F. The Commissioner may prescribe rules and forms to be used~~
6 ~~for the qualified-employer notification and shall require the A~~
7 ~~qualified employer to~~ shall provide its the Department with:

8 1. Its name, address, contact person and phone number, federal
9 tax identification number, number of persons employed in this state
10 as of a specified date;

11 2. The name, title, address and telephone number of the person
12 to contact for claim administration ~~contact information;~~ and a

13 3. A listing of all covered business locations in the state.

14 The ~~Commissioner~~ Department shall notify the ~~Commissioner~~ Workers'
15 Compensation Commission and the Department of Labor of all
16 qualified-employer notifications. ~~The Department of Labor shall~~
17 ~~provide such notifications to other governmental agencies as it~~
18 ~~deems necessary.~~

19 G. ~~The Commissioner may contract with the Oklahoma Employment~~
20 ~~Security Commission, the State Treasurer or the Department of Labor~~
21 ~~for assistance in collecting the notification required under this~~
22 ~~section or otherwise fulfilling the Commissioner's responsibilities~~
23 ~~under this act. Such agencies shall cooperate with the Commissioner~~
24 ~~in enforcing the provisions of this section.~~

1 ~~H. A qualified employer shall notify each of its employees in~~
2 ~~the manner provided in this section that it is a qualified employer,~~
3 ~~that it does not carry workers' compensation insurance coverage and~~
4 ~~that such coverage has terminated or been cancelled.~~

5 I. ~~The~~ A qualified employer shall provide written notification
6 to covered employees ~~as required by this section~~ that it does not
7 carry workers' compensation coverage at the time the covered
8 employee is hired or at least five (5) days before the effective
9 time of ~~designation as a qualified employer~~ the benefit plan, as
10 applicable. The notice shall contain the name, title, address and
11 telephone number of the person to contact for claim administration.

12 A qualified employer shall post the employee notification required
13 by this section at conspicuous locations at the qualified employer's
14 places of business as necessary to provide reasonable notice to all
15 covered employees. The ~~Commissioner~~ Department may adopt rules
16 relating to the form, content, and method of delivery of the
17 employee notification required by this section.

18 H. Two or more employers who are members of a controlled group
19 may apply to the Department for approval as a single qualified
20 employer and be listed on a single qualified employer certificate.
21 The first member of the controlled group shall pay to the Department
22 an annual nonrefundable fee as required by paragraph 3 of subsection
23 A of this section. Each additional participating member of the
24 controlled group shall:

1 1. If the controlled group is fully insured, pay to the
2 Department an annual nonrefundable fee of Two Hundred Fifty Dollars
3 (\$250.00) on the date of filing written notice of election and every
4 year thereafter; or

5 2. If the controlled group is self-insured, pay to the
6 Department an annual nonrefundable fee of Seven Hundred Fifty
7 Dollars (\$750.00) on the date of filing written notice of election
8 and every year thereafter.

9 SECTION 10. AMENDATORY Section 110, Chapter 208, O.S.L.
10 2013, as amended by Section 4, Chapter 390, O.S.L. 2015 (85A O.S.
11 Supp. 2015, Section 203), is amended to read as follows:

12 Section 203. A. An employer ~~voluntarily~~ electing to become a
13 qualified employer shall adopt a ~~written~~ benefit plan that complies
14 with the requirements of this section. ~~Qualified-employer status is~~
15 ~~optional for eligible employers. The benefit plan shall not become~~
16 ~~effective until the date that the qualified employer first satisfies~~
17 ~~the notice requirements in Section 202 of this title.~~

18 B. The benefit plan shall provide for payment of the same forms
19 of benefits included in the Administrative Workers' Compensation Act
20 for ~~temporary total disability, temporary partial disability,~~
21 ~~permanent partial disability, vocational rehabilitation, permanent~~
22 ~~total disability, disfigurement, amputation or permanent total loss~~
23 ~~of use of a scheduled member, death and medical benefits as a result~~
24 ~~of an occupational compensable injury, on a no-fault basis, with the~~

1 same statute of limitations, notice of injury reporting, and with
2 dollar, percentage, and duration limits that are at least equal to
3 ~~or greater than~~ the dollar, percentage, and duration limits
4 contained in ~~Sections 45, 46 and 47 of this title.~~ For this
5 ~~purpose, the standards for determination of average weekly wage,~~
6 ~~death beneficiaries, and disability under the Administrative~~
7 ~~Workers' Compensation Act shall apply under the Oklahoma Employee~~
8 ~~Injury Benefit Act; but no~~ such Act. Benefit plans shall not be
9 subject to other provision requirements of the Administrative
10 Workers' Compensation Act ~~defining covered injuries, medical~~
11 ~~management, dispute resolution or other process, funding, notices or~~
12 ~~penalties shall apply or otherwise be controlling under the Oklahoma~~
13 ~~Employee Injury Benefit Act,~~ unless expressly incorporated.

14 C. ~~The benefit plan may provide for lump-sum payouts that are,~~
15 ~~as reasonably determined by the administrator of such plan appointed~~
16 ~~by the qualified employer, actuarially equivalent to expected future~~
17 ~~payments. The benefit plan may also provide for settlement~~
18 ~~agreements; provided, however, any settlement agreement by a covered~~
19 ~~employee shall be voluntary, entered into not earlier than the tenth~~
20 ~~business day after the date of the initial report of injury, and~~
21 ~~signed after the covered employee has received a medical evaluation~~
22 ~~from a nonemergency care doctor, with any waiver of rights being~~
23 ~~conspicuous and on the face of the agreement. The benefit plan~~
24 ~~shall pay benefits without regard to whether the covered employee,~~

1 ~~the qualified employer, or a third party caused the occupational~~
2 ~~injury; and provided further, that the benefit plan shall provide~~
3 ~~eligibility to participate in and provide the same forms and levels~~
4 ~~of benefits to all Oklahoma employees of the qualified employer.~~
5 ~~The Administrative Workers' Compensation Act shall not define,~~
6 ~~restrict, expand or otherwise apply to a benefit plan. Regardless~~
7 ~~of whether such provisions are incorporated into a benefit plan,~~
8 ~~qualified employers and their covered employees shall be subject to~~
9 ~~the provisions of the Administrative Workers' Compensation Act~~
10 ~~related to:~~

11 1. Compensable injury, as defined pursuant to paragraph 9 of
12 Section 2 of this title;

13 2. Course and scope of employment, as defined pursuant to
14 paragraph 13 of Section 2 of this title;

15 3. Fraud, pursuant to Section 6 of this title;

16 4. Discrimination or retaliation, pursuant to Section 7 of this
17 title;

18 5. Liability other than immediate employer, pursuant to Section
19 36 of this title; and

20 6. Failure to appear for scheduled appointments, pursuant to
21 Section 57 of this title.

22 D. ~~No~~ A qualified employer shall not charge any fee or cost to
23 an employee shall apply related to a qualified employer's benefit
24 plan.

1 E. ~~The qualified employer shall provide to the Commissioner and~~
2 ~~covered employees notice of the name, title, address, and telephone~~
3 ~~number for the person to contact for injury benefit claims~~
4 ~~administration, whether in-house at the qualified employer or a~~
5 ~~third-party administrator.~~

6 F. Information submitted to the ~~Commissioner~~ Department as part
7 of the application for approval as a qualified employer, to confirm
8 eligibility for continuing status as a qualified employer, or as
9 otherwise required by the Oklahoma Employee Injury Benefit Act may
10 not be made public by the ~~Commissioner or by an agent or employee of~~
11 ~~the Commissioner~~ Department without the written consent of the
12 applicant or qualified employer, as applicable, except that:

13 1. The information may be discoverable by a party in a civil
14 action or contested case to which the employer that submitted the
15 information is a party, upon a showing by the party seeking to
16 discover the information that:

- 17 a. the information sought is relevant to and necessary
18 for the furtherance of the action or case,
- 19 b. the information sought is unavailable ~~for~~ from other
20 non-confidential sources, and
- 21 c. a subpoena issued by a judicial or administrative
22 officer of competent jurisdiction has been submitted
23 to the ~~Commissioner~~ Department; and

1 2. The ~~Commissioner~~ Department may disclose the information to
2 a public officer having jurisdiction over the regulation of
3 insurance in another state if:

4 a. the public officer agrees in writing to maintain the
5 confidentiality of the information, and

6 b. the laws of the state in which the public officer
7 serves require the information to be kept
8 confidential; and

9 3. A qualified employer's benefit plan and employee notice
10 shall be open to the public.

11 F. A qualified employer's insurance coverage pertains only to
12 covered employees in this state. An employer with employees in
13 other states shall obtain insurance coverage in compliance with the
14 laws of that state; provided:

15 1. A qualified employer's benefit plan and insurance coverage
16 may apply to an employee who is employed outside of this state on
17 temporary assignment;

18 2. A qualified employer's insurance policy may include an
19 endorsement that provides coverage for employees working in other
20 states in compliance with the laws of such states; and

21 3. If an employee is not principally employed in this state but
22 is injured in this state, the employee shall be subject to the
23 provisions of the Act under this title under which the employer
24 provides coverage.

1 SECTION 11. AMENDATORY Section 111, Chapter 208, O.S.L.
2 2013 (85A O.S. Supp. 2015, Section 204), is amended to read as
3 follows:

4 Section 204. A. A qualified employer may self-fund or insure
5 benefits payable under the benefit plan, employers' liability under
6 this act, and any other insurable risk related to its status as a
7 qualified employer with any insurance carrier authorized to do
8 business in this state.

9 B. Insurance coverage or surety bond obtained by a qualified
10 employer shall be from an admitted or surplus lines insurer with an
11 AM Best Rating of B+ or better. ~~The Insurance~~ Department has no
12 duty to approve insurance rates charged for this coverage. A
13 qualified employer shall secure compensation to covered employees in
14 one of the following ways:

15 1. Obtaining accidental insurance coverage in an amount equal
16 to the compensation obligation;

17 2. Furnishing satisfactory proof to the ~~Commissioner~~ Department
18 of the employer's financial ability to pay the compensation. ~~The~~
19 ~~Commissioner, under~~ Under rules adopted by the ~~Insurance~~ Department
20 ~~or the Commissioner~~ for an individual self-insured employer, the
21 Department shall require an employer that has:

22 a. less than one hundred employees or less than One
23 Million Dollars (\$1,000,000.00) in net assets to:

24

1 (1) deposit with the ~~Commissioner~~ Department
2 securities, an irrevocable letter of credit or a
3 surety bond payable to the state, in an amount
4 determined by the ~~Commissioner~~ Department which
5 shall be at least an average of the yearly claims
6 for the last three (3) years, or

7 (2) provide proof of excess coverage with such terms
8 and conditions as is commensurate with their
9 ability to pay the benefits required by the
10 provisions of this act,

11 b. one hundred or more employees and One Million Dollars
12 (\$1,000,000.00) or more in net assets to:

13 (1) secure a surety bond payable to the state, or an
14 irrevocable letter of credit, in an amount
15 determined by the ~~Commissioner~~ Department which
16 shall be at least an average of the yearly claims
17 for the last three (3) years, or

18 (2) provide proof of excess coverage with such terms
19 and conditions as is commensurate with their
20 ability to pay the benefits required by the
21 provisions of this act; or

22 3. Any other security as may be approved by the ~~Commissioner~~
23 Department.

24

1 C. The ~~Commissioner~~ Department may waive the requirements of
2 this section in an amount which is commensurate with the ability of
3 the employer to pay the benefits required by the provisions of this
4 act. Irrevocable letters of credit required by this section shall
5 contain such terms as may be prescribed by the ~~Commissioner~~
6 Department and shall be issued for the benefit of the state by a
7 financial institution whose deposits are insured by the Federal
8 Deposit Insurance Corporation.

9 D. An employer who does not fulfill the requirements of this
10 section is not relieved of the obligation for compensation to a
11 covered employee. The security required under this section,
12 including any interest thereon, shall be maintained by the
13 ~~Commissioner~~ Department as provided in this act until each claim for
14 benefits is paid, settled, or lapses under this act, and costs of
15 administration of such claims are paid.

16 E. Any bond shall be filed and held by the ~~Commissioner~~
17 Department and shall be for the exclusive benefit of any covered
18 employee of a qualified employer.

19 F. Any security held by the ~~Commissioner~~ Department may be used
20 to make a payment to or on behalf of a covered employee provided the
21 following requirements are met:

- 22 1. The covered employee sustained an occupational injury that
23 is covered by the qualified employer's benefit plan;

24

1 2. The covered employee's claim for payment of a specific
2 medical or wage replacement benefit amount has been accepted by the
3 plan administrator of the benefit plan or acknowledged in a final
4 judgment or court order assessing a specific dollar figure for
5 benefits payable under the benefit plan;

6 3. The covered employee is unable to receive payment from the
7 benefit plan or collect on such judgment or court order because the
8 qualified employer has filed for bankruptcy or the benefit plan has
9 become insolvent; and

10 4. The covered employee is listed as an unsecured creditor of
11 the qualified employer because of the acceptance of such claim by
12 the plan administrator of the benefit plan or judgment or court
13 order assessing a specific dollar figure for benefits payable under
14 the benefit plan.

15 G. The ~~Commissioner~~ Department shall promulgate rules to carry
16 out the provisions of this section including those establishing the
17 procedure by which a covered employee may request and receive
18 payment from the security held by the ~~Commissioner~~ Department.

19 H. The benefit plan may provide some level of benefits for
20 sickness, injury or death not due to an occupational injury.

21 I. A qualified employer shall hold harmless any insurance agent
22 or broker who sold the employer a benefits program compliant with
23 the Oklahoma Employee Injury Benefit Act if the qualified employer
24

1 is sued in district court for an injury arising in the course and
2 scope of employment.

3 SECTION 12. AMENDATORY Section 112, Chapter 208, O.S.L.
4 2013, as amended by Section 5, Chapter 390, O.S.L. 2015 (85A O.S.
5 Supp. 2015, Section 205), is amended to read as follows:

6 Section 205. A. There are established within the Office of the
7 State Treasurer two separate funds:

- 8 1. The Oklahoma Option Insured Guaranty Fund; and
- 9 2. The Oklahoma Option Self-insured Guaranty Fund.

10 B. The funds established pursuant to subsection A of this
11 section shall be for the purpose of continuation of benefits under
12 this act for covered claims that are due and unpaid or interrupted
13 due to the inability of the insurer or sponsor of a self-insured
14 plan, as applicable, to meet its compensation obligations because
15 its financial resources, security deposit, guaranty agreements,
16 surety agreements and excess insurance are either inadequate or not
17 immediately accessible for the payment of benefits. Monies in such
18 funds, including interest, are not subject to appropriation and
19 shall be expended to compensate employees for eligible benefits for
20 a compensable injury under this act, pay outstanding workers'
21 compensation obligations of the impaired insurer, and for all claims
22 for related administrative fees, operating costs, attorney fees, and
23 other costs reasonably incurred by the Oklahoma Property and
24 Casualty Guaranty Association in the performance of its duties under

1 this act. Expenditures from such funds shall be made on warrants
2 issued by the State Treasurer against claims as prescribed by law.
3 Such funds shall be subject to audit the same as state funds and
4 accounts, the cost for which shall be paid for from the funds. A
5 "covered claim" has the meaning given to it pursuant to paragraph 7
6 of Section 2004 of Title 36 of the Oklahoma Statutes.

7 C. The funds established under this section shall be
8 administered, disbursed, and invested under the direction of the
9 Oklahoma Property and Casualty Insurance Guaranty Association
10 established by Section 2005 of Title 36 of the Oklahoma Statutes.

11 D. The funds established under this section shall be funded
12 from the following sources:

13 1. Insured Guaranty Fund:

14 Until the Insured Guaranty Fund contains Two Million Dollars
15 (\$2,000,000.00) or if the amount in the fund falls below One Million
16 Dollars (\$1,000,000.00), each insurer shall be assessed a fee equal
17 to two percent (2%) of all gross direct premiums written during each
18 quarter of the calendar year for insurance covering a benefit plan
19 under this act after deducting from such gross direct premiums,
20 return premiums, unabsorbed portions of any deposit premiums, policy
21 dividends, safety refunds, savings and other similar returns paid or
22 credited to policyholders. The assessment shall be paid to the
23 Insured Guaranty Fund, care of the Commission, no later than the
24 fifteenth day of the month following the close of each quarter of

1 the calendar year in which the gross direct premium is collected or
2 collectible. No insurer may be assessed in any year an amount
3 greater than two percent (2%) of the net direct written premiums of
4 that insurer or one percent (1%) of that surplus of the insurer as
5 regards policyholders for the calendar year preceding the assessment
6 on the kinds of insurance in the account, whichever is less; and

7 2. Self-insured Guaranty Fund:

8 Until the Self-insured Guaranty Fund contains One Million
9 Dollars (\$1,000,000.00) or if the amount in the fund falls below
10 Seven Hundred Fifty Thousand Dollars (\$750,000.00), each self-
11 insurer shall be assessed a fee at the rate of one percent (1%) of
12 the total compensation for permanent partial disability awards paid
13 out during each quarter of the calendar year by the employers. The
14 fee shall be paid to the Self-insured Guaranty Fund, care of the
15 Commission, no later than the fifteenth day of the month following
16 the close of each quarter of the calendar year. The fee shall be
17 determined using a rate equal to the proportion that the deficiency
18 in the fund attributable to self-insurers bears to the actual paid
19 losses of all self-insurers for the preceding calendar year. Each
20 self-insurer shall provide the Commission with the information
21 necessary to determine the amount of the fee to be assessed.

22 E. The Guaranty Association shall create a separate account for
23 each fund which may not be commingled with any other account managed
24 by the Guaranty Association.

1 F. On determination by the ~~Commissioner~~ Department that a self-
2 insurer has become an impaired insurer, the ~~Commissioner~~ Department
3 shall release the security required by paragraph 2 of subsection B
4 of Section 111 of this ~~act~~ title and advise the Guaranty Association
5 of the impairment. Claims administration, including processing,
6 investigating and paying valid claims against an impaired self-
7 insurer under this act, may include payment by the surety that
8 issued the surety bond or be under a contract between the
9 ~~Commissioner~~ Department and an insurance carrier, appropriate state
10 governmental entity or an approved service organization.

11 G. The Guaranty Association shall be a party in interest in all
12 proceedings involving any claims for benefits under this act with
13 respect to an impaired insurer and shall have all rights of
14 subrogation of the impaired insurer. In those proceedings, the
15 Guaranty Association may assume and exercise all rights and defenses
16 of the impaired insurer, including, but not limited to, the right
17 to:

- 18 1. Appear, defend and appeal claims;
- 19 2. Receive notice of, investigate, adjust, compromise, settle
20 and pay claims; and
- 21 3. Investigate, handle and contest claims.

22 H. The Guaranty Association may also:

- 23 1. Retain persons necessary to handle claims and perform other
24 duties of the Guaranty Association;

1 2. Sue or be sued;

2 3. Negotiate and become a party to such contracts as are
3 necessary to carry out the purposes of this act; and

4 4. Exercise any other powers necessary to perform its duties
5 under this act.

6 I. No monies deposited to the funds shall be subject to any
7 deduction, tax, levy or any other type of assessment.

8 J. An impaired self-insurer shall be exempt from assessments
9 until it is no longer impaired.

10 K. Unless provided otherwise in this act, all fines and
11 penalties assessed under this act shall be paid to the Commission
12 for deposit into the funds established in this section in equal
13 amounts.

14 SECTION 13. AMENDATORY Section 113, Chapter 208, O.S.L.
15 2013 (85A O.S. Supp. 2015, Section 206), is amended to read as
16 follows:

17 Section 206. A. In addition to the premium or surplus lines
18 taxes collected from carriers, the carriers shall pay annually to
19 the Workers' Compensation Commission a fee, at the rate to be
20 determined as provided in Section 115 of this ~~act~~ title but not to
21 exceed three percent (3%), on all written premiums resulting from
22 the writing of insurance under this act on risks within the state.

23 B. The fee required pursuant to subsection A of this section
24 shall be collected by the Workers' Compensation Commission from the

1 carriers at the same time and in the same manner as insurance
2 premium taxes under Title 36 of the Oklahoma Statutes and deposited
3 into the Oklahoma Option Insured Guaranty Fund.

4 C. 1. Assessments on which premium taxes are based shall be
5 made on forms prescribed by the Commission and shall be paid to the
6 Commission.

7 2. Absent a waiver obtained from the Commission for good cause,
8 the failure of the carrier to pay the assessment when due shall be
9 referred to the ~~Commissioner~~ Department for appropriate
10 administrative action against the Oklahoma certificate of authority
11 of the delinquent insurer.

12 D. Payments shall be made by check payable to the Commission.

13 SECTION 14. AMENDATORY Section 118, Chapter 208, O.S.L.
14 2013, as amended by Section 6, Chapter 390, O.S.L. 2015 (85A O.S.
15 Supp. 2015, Section 211), is amended to read as follows:

16 Section 211. A. If ~~an~~ a qualified employer denies a claimant's
17 claim for benefits under ~~this act~~ the Employee Injury Benefit Act,
18 the qualified employer shall notify him or her in writing of the
19 decision ~~or the need for additional information~~ within fifteen (15)
20 days after receipt of the claim, subject to a reasonable extension
21 if the qualified employer requests additional information. Unless
22 otherwise provided by law, the adverse benefit determination letter
23 shall contain an explanation of why the claim was denied, including
24 the benefit plan provision or provisions that were the basis for the

1 denial, and a detailed description of how to appeal the
2 determination. The letter shall also inform the claimant of the
3 right to testify at the hearing, produce witnesses in person or by
4 written statement and submit expert reports. Additional claim
5 procedures consistent with this section may be specified in the
6 benefit plan.

7 B. ~~The benefit plan~~ Qualified employers and claimants shall
8 ~~provide~~ be subject to the following ~~minimum~~ appeal rights:

9 1. The claimant may appeal in writing an initial adverse
10 benefit determination to an appeals committee within one hundred
11 eighty (180) days following his or her receipt of the adverse
12 benefit determination. ~~The appeal~~ appeals committee shall ~~be heard~~
13 ~~by a committee consisting~~ consist of at least three people, none of
14 whom are employees of the qualified employer, ~~that~~ were ~~not~~ involved
15 in the original adverse benefit determination or have any pecuniary
16 interest in the outcome of the appeal. The appeals committee shall
17 conduct a full and fair hearing including, but not limited to, the
18 opportunity to present live testimony, witness statements, briefs,
19 expert reports and oral argument on the merits. The appeals
20 committee shall not give any deference to the claimant's initial
21 adverse benefit determination in its review;

22 2. The appeals committee may request any additional information
23 it deems necessary to make a decision, including having the claimant
24 submit to a medical exam. The committee shall create a

1 comprehensive record of the hearing and maintain such record for no
2 less than two (2) years from the date the decision on appeal is
3 issued;

4 ~~3. The committee shall notify the claimant in writing of its~~
5 ~~decision, including an explanation of the decision and his or her~~
6 ~~right to judicial review;~~

7 4. Subject to the need for a reasonable extension of time due
8 to matters beyond the control of the benefit plan, the appeals
9 committee shall review the determination and issue a decision no
10 later than forty-five (45) days from the date the notice of contest
11 is received. The committee shall provide written notice of its
12 decision to the claimant and the qualified employer. Such notice
13 shall include a detailed explanation of the decision, analysis of
14 evidence presented and instruction for seeking judicial review of
15 the decision. No legal action may be brought by or with respect to
16 a claimant to recover benefits under the benefit plan before the
17 foregoing claim procedures have been exhausted;

18 ~~5. If any part of an adverse benefit determination is upheld by~~
19 ~~the committee, the~~ 4. The qualified employer or claimant may then
20 file appeal the decision of the appeals committee by filing a
21 petition for review with the Commission within one (1) year after
22 the date the claimant receives notice that of the adverse benefit
23 determination, or part thereof, was upheld is received. The appeals
24 committee shall provide the record of the hearing to the Commission

1 within seven (7) days of notice from the Commission. If the
2 Commission determines in its sole discretion that the record is
3 deficient, it shall provide written notice to the appeals committee
4 of the defect or defects, after which the committee shall have three
5 (3) days to submit a cured record. If the record is not cured, the
6 administrative law judge shall presume that the defect or defects
7 are unfavorable to the qualified employer. The Commission shall
8 appoint an administrative law judge to hear ~~any~~ the appeal ~~of an~~
9 ~~adverse benefit determination~~ as a trial de novo. The Commission
10 shall prescribe additional rules governing the authority and
11 responsibility of the parties, the administrative law judge and the
12 Commission during the appeal processes. The administrative law
13 judge and Commission shall act as the court of competent
14 jurisdiction under 29 U.S.C.A. Section 1132(e)(1), and shall possess
15 adjudicative authority to render decisions in individual proceedings
16 by claimants ~~to recover benefits due to the claimant~~ or employers
17 under the terms of the ~~claimant's~~ applicable plan, including the
18 authority to award or deny benefits and otherwise enforce ~~the~~
19 ~~claimant's~~ rights under the terms of the benefit plan, ~~or to clarify~~
20 ~~the claimant's rights to future benefits under the terms of the~~
21 ~~plan;~~

22 ~~6.~~ 5. The ~~Commission~~ administrative law judge shall ~~rely on the~~
23 ~~record established by the internal appeal process and use an~~
24 ~~objective standard of review that is not arbitrary or capricious~~ the

1 claim de novo. Any party aggrieved by the judgment, decision, or
2 award made by an administrative law judge may, within ten (10) days
3 of issuance, appeal to the Commission. After hearing, the
4 Commission may reverse or modify the decision of the administrative
5 law judge only if it determines that the decision was against the
6 clear weight of evidence or contrary to law. All such proceedings
7 of the Commission shall be recorded by a court reporter. Any
8 judgment of the Commission which reverses a decision of the
9 administrative law judge shall contain specific findings relating to
10 the reversal. Any award by the administrative law judge or
11 Commission shall be limited to benefits payable under the terms of
12 the benefit plan and, to the extent provided herein, attorney fees
13 and costs; and

14 ~~7.~~ 6. If the claimant appeals to the Commission and any part of
15 the adverse benefit determination is upheld, he or she may appeal to
16 the Oklahoma Supreme Court. The judgment, decision or award of the
17 Commission shall be final and conclusive on all questions within its
18 jurisdiction between the parties unless an action is commenced in
19 the Supreme Court of this state to review the judgment, decision or
20 award within twenty (20) days of being sent to the parties. Any
21 judgment, decision or award made by an administrative law judge
22 shall be stayed until all appeal rights have been waived or
23 exhausted. The Supreme Court may modify, reverse, remand for
24

1 rehearing, or set aside the judgment, decision or award only if it
2 was:

- 3 a. in violation of constitutional provisions,
- 4 b. in excess of the statutory authority or jurisdiction
5 of the Commission,
- 6 c. made on unlawful procedure,
- 7 d. affected by other error of law,
- 8 e. clearly erroneous in view of the reliable, material,
9 probative and substantial competent evidence,
- 10 f. arbitrary or capricious,
- 11 g. procured by fraud, or
- 12 h. missing findings of fact on issues essential to the
13 decision.

14 Such action shall be commenced by filing with the Clerk of the
15 Supreme Court a certified copy of the judgment, decision or award of
16 the Commission attached to a petition which shall specify why the
17 judgment, decision or award is erroneous or illegal.

18 The Supreme Court shall require the appealing party to file
19 within forty-five (45) days from the date of the filing of an appeal
20 a transcript of the record of the proceedings before the Commission,
21 or such later time as may be granted by the Supreme Court on
22 application and for good cause shown. The action shall be subject
23 to the law and practice applicable to comparable civil actions
24 cognizable in the Supreme Court.

1 ~~C. If any of the provisions in paragraphs 5 through 7 of~~
2 ~~subsection B of this section are determined to be unconstitutional~~
3 ~~or otherwise unenforceable by the final nonappealable ruling of a~~
4 ~~court of competent jurisdiction, then the following minimal appeal~~
5 ~~procedures will go into effect:~~

6 ~~1. The appeal shall be heard by a committee consisting of at~~
7 ~~least three people that were not involved in the original adverse~~
8 ~~benefit determination. The appeals committee shall not give any~~
9 ~~deference to the claimant's initial adverse benefit determination in~~
10 ~~its review;~~

11 ~~2. The committee may request any additional information it~~
12 ~~deems necessary to make a decision, including having the claimant~~
13 ~~submit to a medical exam;~~

14 ~~3. The committee shall notify the claimant in writing of its~~
15 ~~decision, including an explanation of the decision and his or her~~
16 ~~right to judicial review;~~

17 ~~4. The committee shall review the determination and issue a~~
18 ~~decision no later than forty-five (45) days from the date the notice~~
19 ~~of contest is received;~~

20 ~~5. If any part of an adverse benefit determination is upheld by~~
21 ~~the committee, the claimant may then file a petition for review in a~~
22 ~~proper state district court; and~~

1 ~~6. The district court shall rely on the record established by~~
2 ~~the internal appeal process and use a deferential standard of~~
3 ~~review.~~

4 ~~D. The provisions of this section shall apply to the extent not~~
5 ~~inconsistent with or preempted by any other applicable law or rule.~~

6 ~~E. All intentional tort or other employers' liability claims~~
7 ~~may proceed through the appropriate state courts of Oklahoma,~~
8 ~~mediation, arbitration, or any other form of alternative dispute~~
9 ~~resolution or settlement process available by law.~~

10 A fee of One Hundred Dollars (\$100.00) per appeal to the Supreme
11 Court shall be paid by the party filing the appeal to the Commission
12 and deposited to the credit of the Workers' Compensation Fund as
13 costs for preparing, assembling, indexing and transmitting the
14 record for appellate review. If more than one party to the action
15 files an appeal from the same judgment, decision or award, the fee
16 shall be paid by the party whose petition in error commences the
17 principal appeal.

18 SECTION 15. This act shall become effective in accordance with
19 the provisions of Section 58 of Article V of the Oklahoma
20 Constitution.

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