

**BILL SUMMARY**  
1<sup>st</sup> Session of the 55<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2205</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>6835</b>
<b>Author:</b>	<b>Rep. Echols</b>
<b>Date:</b>	<b>2/25/2015</b>
<b>Impact:</b>	<b>Minimal increase to OID's revenue stream</b>

**Research Analysis**

HB2205 modifies numerous provisions related to workers' compensation. The measure:

- clarifies that the \$1000 fee paid by insurers to the Insurance Commissioner is an annual fee for securing or renewing a license to sell and transact workers' compensation insurance;
- clarifies that contagious or infectious diseases contracted through a hospital or sanatorium where the injured employee is treated or cared for is not a noncompensable injury;
- clarifies that self-insured employers under the Oklahoma Employee Injury Benefit Act are also participants in the funding of the Self-Insurance Guaranty Fund;
- prohibits the Legislature from transferring monies in the Self-Insurance Guaranty Fund to other state funds;
- provides that the Self-Insurance Guaranty Fund will consist of any unexpended funds in the Oklahoma Option Insured Guaranty Fund and the Oklahoma Option Self-Insured Guaranty Fund;
- prohibits information submitted to the Insurance Commissioner for application and approval to be a self-insured employer under the Oklahoma Employee Injury Benefit Act to be made public without the written consent by the applicant and provides exceptions in the case of litigation or disclosure to a public insurance regulator from another state;
- requires the Insurance Commissioner to promulgate rules to establish the procedures for being approved as a qualified self-insured employer;
- clarifies that coverage developed by a self-insured employer is only applicable to Oklahoma employees of the employer. Employers with employees working in other states must arrange separate insurance coverage for the nonresident employees;
- allows two or more employers who are members of a controlled group to apply for approval as a single qualified employer and establishes a \$250 fee for each additional participating member of the controlled group;
- requires the Insurance Commission to maintain the deposited securities of a self-insured employer until each claim for benefits is paid and settled or until the commissioner has determined that the self-insured employer is impaired;
- provides that the Multiple Injury Trust Fund is not applicable to qualified employers under the Oklahoma Employee Injury Benefit Act or insurance coverage of qualified employers under the Oklahoma Employee Injury Benefit Act;
- eliminates the Oklahoma Option Self-Insured Guaranty Fund and transfers remaining funds to the Self-Insurance Guaranty Fund;
- allows a claimant to appeal an adverse benefit determination to a final review officer appointed by the Workers' Compensation Commission;
- allows any party to appeal a decision made by an administrative law judge within 10 days to the Workers' Compensation Commission. The Commission may revise or modify the decision only if they determine that the decision was against the clear weight of evidence or contrary to law.
- requires appeals proceedings to be recorded by a court reporter;

-provides that any decision determined by the Workers' Compensation Commission regarding an appeal is final unless an action is brought to the Supreme Court within 20 days of the decision being made;

-allows the Supreme Court to modify, reverse, remand for rehearing or set aside a judgment made by the Workers' Compensation Commission only if it was determined to be:

- in violation of constitutional provisions,
- in excess of the statutory authority or jurisdiction of the Commission,
- made on unlawful procedure,
- affected by other error of law,
- clearly erroneous in view of the reliable, material, probative and substantial competent evidence,
- arbitrary or capricious,
- procured by fraud; or
- missing findings of fact on issues essential to the decision.

-requires strict application of the Oklahoma Employee Injury Benefit Act by the Insurance Commissioner, the Workers' Compensation Commission and any court.

The measure also repeals Sections 206, 207 and 208 of Title 85A related to the annual fees assessed on insurance carriers, penalties for not paying the annual fee and the determination of the rate of assessment for collections to the Oklahoma Option Insured Guaranty Fund.

Prepared By: Quyen Do

### **Fiscal Analysis**

Provisions in Section 1 clarify when certain payments are to be made to the Oklahoma Insurance Department. Currently, said payments are to adhere to the schedules outlined in this Section. According to the Insurance Department, there would be no increase in revenue from these proposed changes.

Regarding the fee amendments mentioned in Section 6, and according to the Insurance Department, "this will have a small increase in revenue for us because it sets out a small fee for all members of a group that apply together."

Language referring to the revolving funds is intended to streamline how said funds are currently distributed.

Prepared By: Joshua Maxey

### **Other Considerations**

None.