

**BILL SUMMARY**  
2nd Session of the 53rd Legislature

<b>Bill No.:</b>	<b>SB 1059</b>
<b>Version:</b>	<b>FA3</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Brown</b>
<b>Date:</b>	<b>4/17/2012</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

Floor amendment 3 to SB 1059 adds foreign admitted insurers to those insurers not required to offer state-mandated health benefits except for dental procedures for minors and severely disabled persons pursuant to state law. It adds out-of-state insurers to those insurers that must meet specific criteria to sell health benefit plans in Oklahoma, including providing coverage for dental procedures for minors and severely disabled persons.

SB 1059 creates the Health Care Choice Act which authorizes the Insurance Commissioner to negotiate compacts with other states to allow insurers in the compacting states to sell lines of coverage in Oklahoma without a state certificate of authority. The compacts are subject to the disapproval by a majority vote of both houses of the Legislature or by the Governor in an executive order but must be disapproved before their effective date if it occurs during the legislative session or within 15 days of the start of the next legislative session. The commissioner is authorized to examine the out-of-state companies' market conduct and solvency in the same manner as with Oklahoma companies. The measure authorizes domestic and foreign admitted insurers to sell policies comparable to those sold by out-of-state insurers.

Out-of-state insurers are not required to offer state-mandated health benefits except for coverage of the treatment of diabetes and dental procedures for minors and severely disabled persons. The measure requires applications for participation in out-of-state health benefit plans to include specific language that warns that an out-of-state policy may be subject to increases in premiums that would not be permissible in an Oklahoma-approved policy and that purchase of health insurance should be considered carefully because of possible future medical conditions. It also requires out-of-state health benefit plans to contain language in boldface type that warns the plan is governed primarily by the law of a state other than Oklahoma and may provide fewer benefits than those mandated by state law.

The measure requires nonadmitted, out-of-state insurers to be subject to payment of state premium taxes. It requires out-of-state and foreign admitted insurers selling health benefit plans in Oklahoma to offer the same plan in their state, to obtain a certificate of authority to do business in the state, to provide coverage for the treatment of diabetes and dental procedures for minors and severely disabled persons and to participate in the Oklahoma Life and Health Insurance Guaranty Association Act and the Health Insurance High Risk Pool. The measure also permits the commissioner to promulgate rules for the administration and implementation of the act and expands the commissioner's authority to administer and enforce the requirements placed on an insurance company by any law applicable within this state.

Prepared By: Robin McAlister

**Fiscal Analysis**

FA3 for SB 1059 provides that certain procedures be covered by out-of-state and foreign admitted entities that are in a compact agreement with the Insurance Department. The amendment would have no direct state impact.

Prepared By: Mark Nichols

**Other Considerations**

None