

1 ENGROSSED SENATE
2 BILL NO. 478

By: Brown of the Senate

3 and

4 Moore of the House

5
6 [insurance - Health Care Choice Act - codification -
7 ~~emergency~~]
8
9

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

11 SECTION 1. AMENDATORY 36 O.S. 2011, Section 307, is
12 amended to read as follows:

13 Section 307. The Insurance Commissioner shall be charged with
14 the duty of administration and enforcement of the provisions of the
15 Oklahoma Insurance Code and of any requirements placed on an
16 insurance company pursuant to ~~subsection L of section 1111 of Title~~
17 ~~47 of the Oklahoma Statutes.~~ The ~~Insurance~~ Commissioner shall have
18 jurisdiction over complaints against all persons engaged in the
19 business of insurance, and shall hear all matters either in person,
20 by authorized disinterested employees, or by hearing examiners
21 appointed by the Commissioner for that purpose. It shall be the
22 duty of the ~~Insurance~~ Commissioner to file and safely keep all books
23 and papers required by law to be filed with the Insurance
24 Department, and to keep and preserve in permanent form a full record

1 of proceedings, including a concise statement of the conditions of
2 such insurers and other entities reported and examined by the
3 Department and its examiners. The Commissioner shall, annually, at
4 the earliest practicable date after returns are received from the
5 several authorized insurers and other organizations, make a report
6 to the Governor of the State of Oklahoma of the affairs of the
7 Office of the ~~Insurance~~ Commissioner, which report shall contain a
8 tabular statement and synopsis of the several statements, as
9 accepted by the Insurance Commissioner, which shall include with
10 respect to each insurance company the admitted assets, liabilities
11 except capital, capital and surplus, Oklahoma premium income, amount
12 of claims paid in Oklahoma, and such other matters as may be of
13 benefit to the public. The Commissioner may educate consumers and
14 make recommendations regarding the subject of insurance in this
15 state, and shall set forth in a statement the various sums received
16 and disbursed by the Department, from and to whom and for what
17 purpose. Such report shall be published by and subject to the order
18 of the said ~~Insurance~~ Commissioner. The ~~Insurance~~ Commissioner
19 shall, upon retiring from office, deliver to the qualified successor
20 all furniture, records, papers and property of the office.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 4413 of Title 36, unless there
23 is created a duplication in numbering, reads as follows:

24

1 Sections 2 through 4 of this act shall be known and may be cited
2 as the "Health Care Choice Act".

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 4414 of Title 36, unless there
5 is created a duplication in numbering, reads as follows:

6 A. The Oklahoma Legislature recognizes the need for
7 individuals, employers, and other purchasers of health insurance
8 coverage in this state to have the opportunity to choose health
9 insurance plans that are more affordable and flexible than existing
10 market policies offering accident and health coverage. Therefore,
11 the Oklahoma Legislature seeks to increase the availability of
12 health insurance coverage by allowing insurers authorized to engage
13 in the business of insurance in other states to issue accident and
14 health policies in Oklahoma.

15 B. The Insurance Commissioner may negotiate one or more
16 compacts with other states to allow insurers domiciled in such
17 compacting state to sell specified lines of coverage in Oklahoma
18 without being granted a certificate of authority by Oklahoma. Such
19 compacts shall provide for appropriate protection of Oklahoma
20 consumers by allowing the Commissioner to regulate the market
21 conduct and financial solvency of the nonadmitted insurers pursuant
22 to compact provisions. The terms of any such compact shall be
23 presumed a valid exercise of the discretionary authority of the
24 Commissioner. The compact shall be required to be approved by the

1 Legislature by adoption of a joint resolution, provided that such
2 joint resolution becomes law in accordance with Section 11 of
3 Article VI of the Oklahoma Constitution. Joint resolutions
4 introduced for such purpose shall not be subject to regular
5 legislative deadlines and shall be limited to such provisions as may
6 be necessary for approval of a compact.

7 C. Any examination by the Commissioner of the market conduct
8 and solvency of any out-of-state companies seeking to offer health
9 benefit plans in this state, or who have been given approval to
10 offer health benefit plants in this state, shall be conducted in the
11 same manner and under the same terms and conditions as examinations
12 of companies located in this state.

13 D. The out-of-state insurers shall not be required to offer or
14 provide state-mandated health benefits required by Oklahoma law or
15 regulations in health insurance policies sold to Oklahoma residents.

16 E. Domestic insurers authorized to sell specified lines of
17 coverage in Oklahoma may sell policies that are substantially
18 comparable to policies sold by out-of-state insurers pursuant to
19 this section. Domestic insurers selling policies pursuant to this
20 section shall be required to comply with the provisions of this
21 section.

22 F. Each written application for participation in an out-of-
23 state health benefit plan shall contain the following language in
24 boldface type at the beginning of the document:

1 "This policy is primarily governed by the laws of (insert state
2 where the master policy is filed); therefore, all of the rating laws
3 applicable to policies filed in this state do not apply to this
4 policy, which may result in increases in your premium at renewal
5 that would not be permissible in an Oklahoma-approved policy. Any
6 purchase of individual health insurance should be considered
7 carefully since future medical conditions may make it impossible to
8 qualify for another individual health policy. For information
9 concerning individual health coverage under an Oklahoma-approved
10 policy, please consult your insurance agent or the Oklahoma
11 Department of Insurance."

12 G. Each out-of-state health benefit plan shall contain the
13 following language in boldface type at the beginning of the
14 document:

15 "The benefits of this policy providing your coverage are
16 governed primarily by the law of a state other than Oklahoma. While
17 this health benefit plan may provide you a more affordable health
18 insurance policy; it may also provide fewer health benefits than
19 those normally included as state-mandated health benefits in
20 policies in Oklahoma. Please consult with your insurance agent to
21 determine which Oklahoma state-mandated health benefits are excluded
22 under this policy."

23 H. Nonadmitted, out-of-state insurers selling specified lines
24 of coverage in Oklahoma pursuant to the provisions of the Health

1 Care Choice Act shall be subject to payment of any applicable
2 premium taxes pursuant to Section 624 of Title 36 of the Oklahoma
3 Statutes.

4 I. The Commissioner may promulgate rules necessary for the
5 administration and implementation of the Health Care Choice Act.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 4416 of Title 36, unless there
8 is created a duplication in numbering, reads as follows:

9 Pursuant to the provisions of the Health Care Choice Act, a
10 foreign health insurer may sell, offer and provide a health benefit
11 plan to residents in this state, if that insurer:

12 1. Offers the same health benefits plan in its domiciliary
13 state and is in compliance with all applicable laws, regulations,
14 and other requirements of its domiciliary state;

15 2. Obtains a certificate of authority to do business as a
16 foreign health insurer in the state pursuant to the provisions of
17 Section 3 of this act;

18 3. Participates, on a nondiscriminatory basis, in the Oklahoma
19 Life and Health Insurance Guaranty Association Act; and

20 4. Participates on a nondiscriminatory basis and in the same
21 manner as admitted, participating insurers to the Health Insurance
22 High Risk Pool.

23 ~~SECTION 5. It being immediately necessary for the preservation~~
24 ~~of the public peace, health or safety, an emergency is hereby~~

1 ~~declared to exist, by reason whereof this act shall take effect and~~
2 ~~be in full force from and after its passage and approval.~~

3 Passed the Senate the 23rd day of March, 2017.

4
5 _____
6 Presiding Officer of the Senate

7 Passed the House of Representatives the ____ day of _____,
8 2017.

9
10 _____
11 Presiding Officer of the House
12 of Representatives
13
14
15
16
17
18
19
20
21
22
23
24