# FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB478 ______________________________
Of the printed Bill

Page ____________ Section _____________ Lines ______________________
Of the Engrossed Bill

By restoring the Enacting Clause; and

On Page 3, Line 17 through Page 7, Line 17, by deleting Sections 3 and 4 in their entirety and inserting in lieu thereof a new Section 3 to read as follows:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Lewis Moore
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Adopted: _____________________________

_____________________________
Reading Clerk

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

A. The Oklahoma Legislature recognizes the need for purchasers of health insurance coverage in this state to have the opportunity to choose health insurance plans that are more affordable and flexible than existing market policies offering accident and health coverage. Therefore, the Oklahoma Legislature seeks to increase the availability of health insurance coverage by allowing insurers authorized to engage in the business of insurance in other states, and not so authorized in Oklahoma, to issue accident and health policies in Oklahoma by granting a limited exemption from Section 606 of Title 36 of the Oklahoma Statutes. Insurers authorized to engage in the business of insurance in other states, and not so authorized in Oklahoma, shall be subject to the following requirements in order to be able to obtain an exemption to Section 606 of Title 36 of the Oklahoma Statutes and to issue accident and health policies in Oklahoma through agents licensed in the state:

1. No insurer authorized to engage in the business of insurance in other states that is not so licensed in Oklahoma may issue an accident or a health policy pursuant to this section unless it is approved to do so, in writing, by the Insurance Commissioner;

2. An insurer seeking to obtain the written approval described in paragraph 1 of this subsection shall request such approval in the

manner required by the Insurance Commissioner, and shall pay any and all fees associated with such application as may be required by the Insurance Commissioner; and

3. In order to first be considered for the written approval from the Insurance Commissioner, an insurer shall be domiciled in a state which has a legislatively approved compact with the State of Oklahoma.

B. Pursuant to the provisions of the Health Care Choice Act, all approved insurers domiciled in a compacting state selling health and accident insurance policies in Oklahoma shall:

1. Offer accident and health insurance policies that contain all mandated health benefits that are required by Oklahoma law to be included in accident or health insurance policies and Health Maintenance Organization (HMO) policies issued in the state and will comply with all other applicable laws pertaining to coverage and coverage decisions;

2. Keep a full and true record of each insurance policy issued to an insured in this state by or on behalf of the insurer, containing such information as may be required by the Insurance Commissioner, which record may be examined at any time within three (3) years after issuance by the Insurance Commissioner;

3. File with the Insurance Commissioner, on or before April 1 of each year, a verified statement of all insurance transacted by the insurer during the preceding calendar year in Oklahoma. The

statement shall be on a form prescribed and furnished and contain such information as required by the Insurance Commissioner;

4. Issue an insurance policy in this state pursuant to this section through an insurance agent or other person or entity that is licensed in this state, as well as in a state in which the insurer is licensed, to engage in the sale, solicitation or negotiation of accident and/or health insurance in this state, and that is appointed by the insurer for such purpose;

5. Appoint one or more third-party administrators that are licensed in this state, and that have adjusters with offices in this state, that shall be responsible for administering claims under the insurance policies issued by the insurer in this state and be available to answer any questions from insureds under the insurance policies issued by the insurer in this state; and

6. Submit to the jurisdiction of this state and be subject to service of legal process within this state in any action or proceeding against the insurer arising out of any insurance policy issued to an insured policyholder in this state and the Insurance Commissioner is appointed as its exclusive agent to receive service of legal process.

C. The Insurance Commissioner may only grant the written approval described in paragraph 1 of subsection A of this section to an insurer that:

1. Is properly licensed in its domiciliary state to issue accident and health insurance policies;

2. Has met the requirements for financial solvency and market conduct applicable to insurers domiciled in Oklahoma authorized to issue accident and health insurance policies in the state set forth in Title 36 of the Oklahoma Statutes; and

3. Has submitted the policy form that it will issue to insureds in this state for a determination by the Insurance Commissioner that the policy form is in compliance with all laws and regulations in this state applicable to health insurance policies.

D. The premium tax described in subsection M of this section shall be collected and paid by the insurance agent or other properly licensed and appointed person or entity through which the applicable insurance policy is issued in accordance with paragraph 4 of subsection B of this section.

E. The Insurance Commissioner may require an insurer to reapply for the written approval described in paragraph 1 of subsection A of this section on an annual basis, or as often as the Insurance Commissioner deems prudent. Reapplication shall be in the form and manner required by the Insurance Commissioner.

F. The Insurance Commissioner may, as a condition to providing an insurer with the written approval described in paragraph 1 of subsection A of this section, impose on the insurer any additional requirement that the Insurance Commissioner deems necessary.

G. The Insurance Commissioner may negotiate one or more compacts with other states to allow insurers domiciled in such compacting state that obtain the written approval from the Insurance Commissioner described in paragraph 1 of subsection A of this section to sell policies of accident and health insurance in Oklahoma. Such compacts shall provide for appropriate protection of Oklahoma consumers by requiring the Commissioner to regulate the compliance to Oklahoma laws and regulations, market conduct and financial solvency of the insurers pursuant to compact provisions. The terms of any such compact shall be presumed a valid exercise of the discretionary authority of the Commissioner. The compact shall be required to be approved by the Legislature by adoption of a joint resolution, provided that the joint resolution becomes law in accordance with Section 11 of Article VI of the Oklahoma Constitution. Joint resolutions introduced for such purpose shall not be subject to regular legislative deadlines and shall be limited to such provisions as may be necessary for approval of a compact. The Legislature retains the authority to approve or not approve a compact with a state.

H. The Insurance Commissioner shall require every approved insurer to submit to a market conduct examination. Any examination by the Commissioner of the regulatory compliance, market conduct and solvency of any insurer domiciled in a compacting state seeking to offer health benefit plans in this state, or who has been given approval to offer health benefit plans in this state, shall be conducted in the same manner and under the same terms and conditions as examinations of companies located in this state.

I. An insurer domiciled in a compacting state is required to provide Oklahoma state-mandated health benefits and to comply with all other applicable laws that apply to Oklahoma accident and health insurers including coverage of services, coverage decisions and financial solvency.

J. All approved insurers domiciled in a compacting state selling health and accident insurance policies in Oklahoma must comply with the Unfair Claims Settlement Practices Act, Health Care Freedom of Choice Act, Genetic Nondiscrimination in Insurance Act, Hospital and Medical Services Utilization Review Act and all requirements found in Sections 4401 through 4411 of Title 36 of the Oklahoma Statutes. All Health Maintenance Organizations shall be subject to and comply with the Health Maintenance Organization Act of 2003.

K. Each written application for purchase of a policy offered by an insurer domiciled in a compacting state pursuant to the Health Care Choice Act shall contain the following language in boldface type at the beginning of the document:

"This policy may be subject, in part, to the laws of (insert state where the master policy is filed); in particular, all of the premium rating laws applicable to policies filed in Oklahoma do not apply to this policy. This may result in increases in your premium at renewal that would not be permissible in a policy that was issued by an Oklahoma insurer. For information concerning health insurance coverage under a policy issued by an Oklahoma insurer, please consult your insurance agent or the Oklahoma Department of Insurance."

L. Each policy issued pursuant to the Health Care Choice Act by an insurer domiciled in a compacting state shall contain the following language in boldface type at the beginning of the document:

"The benefits provided under this policy may be affected, in part, by the laws of a state other than Oklahoma; however, must include the Oklahoma state-mandated benefits, including coverage of services, coverage decisions and financial solvency, and must comply with all other applicable Oklahoma and federal laws. This policy may not be subject to the protection of any guaranty association in the event of liquidation or receivership of the insurer. Please consult with your insurance agent to determine which health benefits are included or excluded under this policy."

M. Approved insurers domiciled in a compacting state selling health and accident insurance policies in Oklahoma shall be subject to payment of any applicable premium taxes pursuant to Section 624 of Title 36 of the Oklahoma Statutes, which taxes shall be collected and paid by the insurance agent or other properly licensed and appointed person or entity through which the applicable insurance policy is issued in accordance with subsection E of this section.

N. The Commissioner shall promulgate rules necessary for the administration and implementation of the Health Care Choice Act, which rules shall specify how the requirements set forth in subsection A of this section shall be implemented."

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