

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB1572

By: McEntire of the House and Smalley of the Senate

Title: Workers' compensation; modifying various provisions of the Administrative Workers' Compensation Act; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action _____ Date _____ Senate Action _____ Date _____

SENATE CONFEREES

Allen _____
 Bass _____
 Bergstrom _____
 Bice _____
 Boggs _____
 Brecheen _____
 Brown _____
 Dahm _____
 Daniels _____
 David _____
 Dossett _____
 Dugger _____
 Fields _____
 Floyd _____
 Fry _____
 Griffin _____
 Holt _____
 Jech _____
 Kidd _____
 Leewright _____
 Marlatt _____
 Matthews _____
 McCortney _____
 Newberry _____

Newhouse _____
 Paxton _____
 Pederson _____
 Pemberton _____
 Pittman _____
 Pugh _____
 Quinn _____
 Rader _____
 Scott _____
 Sharp _____
 Shaw _____
 Silk _____
 Simpson _____
 Smalley _____
 Sparks _____
 Standridge _____
 Stanislawski _____
 Sykes _____
 Thompson _____
 Yen _____

House Action _____ Date _____

Senate Action _____ Date _____

1 CONFERENCE COMMITTEE
2 SUBSTITUTE
3 FOR ENGROSSED
4 HOUSE BILL NO. 1572

By: McEntire and Echols of the
House

and

Smalley of the Senate

8 CONFERENCE COMMITTEE SUBSTITUTE

9 An Act relating to workers' compensation; amending
10 Section 98, as amended by Section 4, Chapter 169,
11 O.S.L. 2014 (85A O.S. Supp. 2016, Section 98), which
12 relates to the Administrative Workers' Compensation
13 Act; modifying funding sources for the Self-insurance
14 Guaranty Fund; requiring the Tax Commission to
15 provide certain information to the Self-insurance
16 Guaranty Fund Board; and providing an effective date.

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

16 SECTION 1. AMENDATORY Section 98, Chapter 208, O.S.L.
17 2013, as amended by Section 4, Chapter 169, O.S.L. 2014 (85A O.S.
18 Supp. 2016, Section 98), is amended to read as follows:

19 Section 98. The Self-insurance Guaranty Fund shall be derived
20 from the following sources:

21 1. Any unexpended funds, including interest thereon, held by
22 the State Treasurer in the Workers' Compensation Self-insurance
23 Guaranty Fund transferred to the Self-insurance Guaranty Fund as
24 provided in Section 124 of this title;

1 2. ~~Until the Self-insurance Guaranty Fund contains Two Million~~
2 ~~Dollars (\$2,000,000.00) or in~~ In the event the amount in the net
3 fund balance falls below ~~One Million Dollars (\$1,000,000.00)~~ Seven
4 Hundred Fifty Thousand Dollars (\$750,000.00), the Workers'
5 Compensation Commission shall make an assessment against each
6 private self-insurer and group self-insurance association based on
7 an assessment rate to be determined by the commissioners, not
8 exceeding ~~one percent (1%)~~ two percent (2%) per annum of actual paid
9 losses of the self-insurer during the preceding calendar year,
10 payable to the Tax Commission for deposit to the fund. The
11 assessment against private self-insurers shall be determined using a
12 rate equal to the proportion that the deficiency in the fund
13 attributable to private self-insurers bears to the actual paid
14 losses of all private self-insurers for the year period of January 1
15 through December 31 preceding the assessment. The assessment
16 against group self-insurance associations shall be determined using
17 a rate equal to the proportion that the deficiency in excess of the
18 surplus of the Group Self-Insurance Association Guaranty Fund at the
19 date of the transfer attributable to group self-insurance
20 associations bears to the actual paid losses of all group self-
21 insurance associations cumulatively for any calendar year preceding
22 the assessment. Each self-insurer shall provide the Workers'
23 Compensation Commission with such information as the Commission may
24 determine is necessary to effectuate the purposes of this paragraph.

1 For purposes of this paragraph, "actual paid losses" means all
2 medical and indemnity payments, including temporary disability,
3 permanent disability, and death benefits, and excluding loss
4 adjustment expenses and reserves.

5 a. The assessment shall be paid within thirty (30)
6 calendar days after the date the commissioners notify
7 the self-insurer of the assessment.

8 b. A private employer or group self-insurance association
9 which ceases to be a self-insurer shall remain liable
10 for any and all assessments of the self-insurer as
11 provided in this paragraph based on actual paid losses
12 for the calendar year period preceding the assessment.

13 c. Failure of a self-insurer to pay, or timely pay, an
14 assessment required by this paragraph, or to report
15 payment of the same to the Commission within ten (10)
16 days of payment, shall be grounds for revocation by
17 the Commission of the self-insurer's permit to self-
18 insure in this state, after notice and hearing. A
19 former self-insurer failing to make payments required
20 by this paragraph promptly and correctly, or failing
21 to report payment of the same to the Commission within
22 ten (10) days of payment, shall be subject to
23 administrative penalties as allowed by law, including
24 but not limited to, a fine in the amount of Five

1 Hundred Dollars (\$500.00) or an amount equal to one
2 percent (1%) of the unpaid amount, whichever is
3 greater, to be paid and deposited to the credit of the
4 Workers' Compensation Fund created in Section 28 of
5 this title. It shall be the duty of the Tax
6 Commission to collect the assessment provided for in
7 this paragraph. The Tax Commission is authorized to
8 bring an action for recovery of any delinquent or
9 unpaid assessments, and may enforce payment of the
10 assessment by proceeding in accordance with Section 79
11 of this title.

12 d. An impaired self-insurer shall be exempt from
13 assessments beginning on the date of the Commission's
14 designation until the Commission determines the self-
15 insurer is no longer impaired.

16 e. The Tax Commission shall determine the fund balance as
17 of March 1 and September 1 of each year, and when
18 otherwise requested by the Workers' Compensation
19 Commission, and shall advise the Workers' Compensation
20 Commission and the Self-insurance Guaranty Fund Board
21 in writing within thirty (30) days of each such
22 determination; and

23 3. Any interest accruing on monies paid into the fund.
24

SECTION 2. This act shall become effective November 1, 2017.

56-1-7920 SD 05/11/17