

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 57th Legislature (2019)

4 ENGROSSED SENATE
5 BILL NO. 274

 By: Paxton of the Senate

 and

 McEntire of the House

6
7
8
9
10 An Act relating to the Self-insurance Guaranty Fund;
11 amending Section 98, Chapter 208, O.S.L. 2013, as
12 last amended by Section 2, Chapter 182, O.S.L. 2018
13 (85A O.S. Supp. 2018, Section 98), which relates to
14 funds to be transferred to Self-insurance Guaranty
15 Fund; modifying conditions to require certain
16 assessment; increasing amount of certain assessment;
17 and providing an effective date.

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

19 SECTION 1. AMENDATORY Section 98, Chapter 208, O.S.L.
20 2013, as last amended by Section 2, Chapter 182, O.S.L. 2018 (85A
21 O.S. Supp. 2018, Section 98), is amended to read as follows:

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

24 1. Any unexpended funds, including interest thereon, held by
 the State Treasurer in the Workers' Compensation Self-insurance

1 Guaranty Fund transferred to the Self-insurance Guaranty Fund as
2 provided in Section 124 of this title;

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

1 Compensation Commission with such information as the Commission may
2 determine is necessary to effectuate the purposes of this paragraph.
3 For purposes of this paragraph, "actual paid losses" means all
4 medical and indemnity payments, including temporary disability,
5 permanent disability, and death benefits, and excluding loss
6 adjustment expenses and reserves.

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

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

15 c. Failure of a self-insurer to pay, or timely pay, an
16 assessment required by this paragraph, or to report
17 payment of the same to the Commission within ten (10)
18 days of payment, shall be grounds for revocation by
19 the Commission of the self-insurer's permit to self-
20 insure in this state, after notice and hearing. A
21 former self-insurer failing to make payments required
22 by this paragraph promptly and correctly, or failing
23 to report payment of the same to the Commission within
24 ten (10) days of payment, shall be subject to

1 administrative penalties as allowed by law, including
2 but not limited to, a fine in the amount of Five
3 Hundred Dollars (\$500.00) or an amount equal to one
4 percent (1%) of the unpaid amount, whichever is
5 greater, to be paid and deposited to the credit of the
6 Workers' Compensation Commission Revolving Fund
7 created in Section 28.1 of this title. It shall be
8 the duty of the Tax Commission to collect the
9 assessment provided for in this paragraph. The Tax
10 Commission is authorized to bring an action for
11 recovery of any delinquent or unpaid assessments, and
12 may enforce payment of the assessment by proceeding in
13 accordance with Section 79 of this title.

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

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

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

1 4. Monies transferred pursuant to Section 99 of this title.

2 SECTION 2. This act shall become effective November 1, 2019.

3
4 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/02/2019 - DO
5 PASS.
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24