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February 18, 2020

By: Bice

An Act relating to the Self-insurance Guaranty Fund; amending Section 98, Chapter 208, O.S.L. 2013, as last amended by Section 1, Chapter 164, O.S.L. 2019 (85A O.S. Supp. 2019, Section 98), which relates to funds to be transferred to Self-insurance Guaranty Fund; removing certain Tax Commission notification requirement; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 98, Chapter 208, O.S.L. 2013, as last amended by Section 1, Chapter 164, O.S.L. 2019 (85A O.S. Supp. 2019, Section 98), is amended to read as follows:

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

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

2. In the event the net fund balance falls below Seven Hundred Fifty Thousand Dollars (\$750,000.00), the Workers' Compensation Commission shall make an assessment against each private self-

1 insurer and group self-insurance association based on an assessment
2 rate to be determined by the commissioners, not exceeding two
3 percent (2%) per annum of actual paid losses of the self-insurer
4 during the preceding calendar year, payable to the Tax Commission
5 for deposit to the fund. The assessment against private self-
6 insurers shall be determined using a rate equal to the proportion
7 that the deficiency in the fund attributable to private self-
8 insurers bears to the actual paid losses of all private self-
9 insurers for the year period of January 1 through December 31
10 preceding the assessment. The assessment against group self-
11 insurance associations shall be determined using a rate equal to the
12 proportion that the deficiency in excess of the surplus of the Group
13 Self-Insurance Association Guaranty Fund at the date of the transfer
14 attributable to group self-insurance associations bears to the
15 actual paid losses of all group self-insurance associations
16 cumulatively for any calendar year preceding the assessment. Each
17 self-insurer shall provide the Workers' Compensation Commission with
18 such information as the Commission may determine is necessary to
19 effectuate the purposes of this paragraph. For purposes of this
20 paragraph, "actual paid losses" means all medical and indemnity
21 payments, including temporary disability, permanent disability, and
22 death benefits, and excluding loss adjustment expenses and reserves.

- 1 a. The assessment shall be paid within thirty (30)
2 calendar days after the date the commissioners notify
3 the self-insurer of the assessment.
- 4 b. A private employer or group self-insurance association
5 which ceases to be a self-insurer shall remain liable
6 for any and all assessments of the self-insurer as
7 provided in this paragraph based on actual paid losses
8 for the calendar year period preceding the assessment.
- 9 c. Failure of a self-insurer to pay, or timely pay, an
10 assessment required by this paragraph, or to report
11 payment of the same to the Commission within ten (10)
12 days of payment, shall be grounds for revocation by
13 the Commission of the self-insurer's permit to self-
14 insure in this state, after notice and hearing. A
15 former self-insurer failing to make payments required
16 by this paragraph promptly and correctly, or failing
17 to report payment of the same to the Commission within
18 ten (10) days of payment, shall be subject to
19 administrative penalties as allowed by law, including
20 but not limited to, a fine in the amount of Five
21 Hundred Dollars (\$500.00) or an amount equal to one
22 percent (1%) of the unpaid amount, whichever is
23 greater, to be paid and deposited to the credit of the
24 Workers' Compensation Commission Revolving Fund

1 created in Section 28.1 of this title. It shall be
2 the duty of the Tax Commission to collect the
3 assessment provided for in this paragraph. The Tax
4 Commission is authorized to bring an action for
5 recovery of any delinquent or unpaid assessments, and
6 may enforce payment of the assessment by proceeding in
7 accordance with Section 79 of this title.

8 d. An impaired self-insurer shall be exempt from
9 assessments beginning on the date of the Commission's
10 designation until the Commission determines the self-
11 insurer is no longer impaired.

12 ~~e. The Tax Commission shall determine the fund balance as~~
13 ~~of March 1 and September 1 of each year, and when~~
14 ~~otherwise requested by the Workers' Compensation~~
15 ~~Commission, and shall advise the Workers' Compensation~~
16 ~~Commission in writing within thirty (30) days of each~~
17 ~~such determination;~~

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

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

20 SECTION 2. This act shall become effective July 1, 2020.

21 SECTION 3. It being immediately necessary for the preservation
22 of the public peace, health or safety, an emergency is hereby
23
24

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 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY
4 February 18, 2020 - DO PASS
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