

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL 274

By: Paxton

AS INTRODUCED

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

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 2, Chapter 182, O.S.L. 2018 (85A O.S. Supp. 2018, 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. ~~Until the Self-insurance Guaranty Fund contains Two Million Dollars (\$2,000,000.00) or in~~ In the event the amount in the net

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

1 permanent disability, and death benefits, and excluding loss
2 adjustment expenses and reserves.

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

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

11 c. Failure of a self-insurer to pay, or timely pay, an
12 assessment required by this paragraph, or to report
13 payment of the same to the Commission within ten (10)
14 days of payment, shall be grounds for revocation by
15 the Commission of the self-insurer's permit to self-
16 insure in this state, after notice and hearing. A
17 former self-insurer failing to make payments required
18 by this paragraph promptly and correctly, or failing
19 to report payment of the same to the Commission within
20 ten (10) days of payment, shall be subject to
21 administrative penalties as allowed by law, including
22 but not limited to, a fine in the amount of Five
23 Hundred Dollars (\$500.00) or an amount equal to one
24 percent (1%) of the unpaid amount, whichever is

greater, to be paid and deposited to the credit of the Workers' Compensation Commission Revolving Fund created in Section 28.1 of this title. It shall be the duty of the Tax Commission to collect the assessment provided for in this paragraph. The Tax Commission is authorized to bring an action for recovery of any delinquent or unpaid assessments, and may enforce payment of the assessment by proceeding in accordance with Section 79 of this title.

- d. An impaired self-insurer shall be exempt from assessments beginning on the date of the Commission's designation until the Commission determines the self-insurer is no longer impaired.
- e. The Tax Commission shall determine the fund balance as of March 1 and September 1 of each year, and when otherwise requested by the Workers' Compensation Commission, and shall advise the Workers' Compensation Commission in writing within thirty (30) days of each such determination;

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

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

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