

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1485

By: Garvin

AS INTRODUCED

An Act relating to long-term care; requiring nursing facility to maintain certain liability insurance coverage; describing policy or contract; providing for penalties; requiring certain notices under specified conditions; providing certain protections against penalties; requiring prescription, completion, and certain update of specified forms; specifying certain limit of liability protection; providing income tax credit for certain liability insurance premiums; requiring compliance with certain provisions; specifying amount of credit; prohibiting refundability of credit; providing for the carry forward of unused credit; and providing for codification.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1903.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. A nursing facility licensed by the State Department of Health shall maintain liability insurance coverage of at least One Million Dollars (\$1,000,000.00) for each occurrence of negligence. An insurance policy or contract required under this section shall cover injury to a patient that occurs while the patient is on the

1 premises of the nursing facility or in the care of a nursing
2 facility.

3 B. Except as provided by subsection C of this section, failure
4 by a nursing facility to renew the liability insurance policy or
5 contract or to maintain the policy or contract in the required
6 amount may be grounds for license denial, revocation, or suspension
7 or other penalties imposed on the facility by the Department.

8 C. 1. If a nursing facility, for financial reasons or for lack
9 of availability of an underwriter willing to issue a policy, is
10 unable to secure the insurance required under subsection A of this
11 section, or if the policy limits are exhausted, the nursing facility
12 shall notify the patient, a relative, or guardian of each patient
13 for whom the nursing facility provides care that the liability
14 coverage is not provided. The nursing facility shall notify the
15 State Department of Health that coverage was not obtained under this
16 section. Provided, the nursing facility shall coordinate with the
17 Insurance Department and State Department of Health in an effort to
18 obtain coverage.

19 2. A nursing facility that meets the conditions and
20 requirements of paragraph 1 of this subsection shall not be subject
21 to license denial, revocation, or suspension or other penalties
22 imposed by the Department solely on the basis of failure by a
23 nursing facility to renew the liability insurance policy or contract
24 or to maintain the policy or contract in the required amount.

1 D. The State Commissioner of Health shall prescribe a standard
2 form to be signed and dated by an insurance agent licensed in this
3 state stating that the nursing facility has an unexpired and valid
4 insurance policy or contract of at least One Million Dollars
5 (\$1,000,000.00) that meets the requirements of this section. This
6 form shall be completed annually in the form and manner prescribed
7 by the Commissioner.

8 E. 1. The Commissioner shall prescribe a standard form for the
9 facility to provide to patients, relatives, or guardians notifying
10 the patients, relatives, or guardians that the facility does not
11 carry liability insurance for the reasons allowed in subsection C of
12 this section. This form shall be signed and dated by a patient,
13 relative, or guardian and shall be maintained in the file of the
14 patient.

15 2. If the facility is without insurance for reasons provided
16 for in subsection C of this section for longer than one (1) year,
17 the facility shall update the form provided to patients, relatives,
18 or guardians under this subsection with signatures and dates
19 annually.

20 F. In no case shall the inability to obtain coverage under
21 subsection C of this section serve to indemnify the nursing facility
22 due to negligence.
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1 SECTION 2. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 2357.411 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. For tax years 2025 and subsequent years, there shall be
5 allowed a credit against the tax imposed pursuant to Section 2355 of
6 Title 68 of the Oklahoma Statutes for nursing facilities in this
7 state paying liability insurance coverage premiums.

8 B. The credit authorized by subsection A of this section may be
9 claimed only if the facility maintains compliance with the
10 provisions of Section 1 of this act for the entire tax year.

11 C. The credit authorized by subsection A of this section shall
12 be in the amount of fifty percent (50%) of the premiums paid for
13 liability insurance coverage of at least One Million Dollars
14 (\$1,000,000.00) and twenty-five percent (25%) of the premiums paid
15 for liability insurance coverage of at least Five Hundred Thousand
16 Dollars (\$500,000.00) but less than One Million Dollars
17 (\$1,000,000.00).

18 D. The credit authorized by subsection A of this section shall
19 not be used to reduce the tax liability of the qualified employer to
20 less than zero (0). Credits allowed but not used in a tax year may
21 be carried forward three (3) subsequent tax years.

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