

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 2117

By: Moore

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6 AS INTRODUCED

7 An Act relating to the CompSource Mutual Insurance
8 Company Act; amending Section 3, Chapter 254, O.S.L.
9 2013 (85 O.S. 2014, Section 375.3), which relates to
10 the operation of the CompSource Mutual Insurance
11 Company; requiring payment of certain commissions;
12 and providing an effective date.

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

14 SECTION 1. AMENDATORY Section 3, Chapter 254, O.S.L.
15 2013 (85 O.S. Supp. 2014, Section 375.3), is amended to read as
16 follows:

17 Section 375.3 A. Effective January 1, 2015, CompSource
18 Oklahoma shall operate as, and exercise the powers of, a domestic
19 mutual insurer without capital stock or shares, in accordance with
20 Title 36 of the Oklahoma Statutes, and shall be called CompSource
21 Mutual Insurance Company. The Insurance Commissioner shall approve
22 the Company's articles of incorporation and issue a certificate of
23 authority to the Company to write workers' compensation insurance,
24 as provided by Title 36 of the Oklahoma Statutes, not later than
August 1, 2014, which shall become effective January 1, 2015. The

1 Chief Executive Officer of CompSource Oklahoma shall take any
2 measure necessary to accomplish the transition from CompSource
3 Oklahoma to CompSource Mutual Insurance Company.

4 B. The Company shall be organized as a corporation benefiting
5 the citizens of Oklahoma by providing workers' compensation and
6 related coverages which are competitively priced that generally
7 benefit the public, but remain a financially independent entity that
8 is neither more nor less than self-supporting.

9 C. The Company may provide related coverage which is incidental
10 to workers' compensation insurance, including but not limited to
11 coverage for risks under the Longshore and Harbor Workers'
12 Compensation Act (33 U.S.C. Section 901 et seq.) and Title IV of the
13 Federal Coal Mine Health and Safety Act of 1969 as amended by the
14 Black Lung Benefits Act of 1972, as enacted or as may be amended by
15 the Congress of the United States and other coverage related to
16 employee and employment risks.

17 D. The Company shall provide workers' compensation insurance
18 coverage for volunteer firefighters as provided in Section 380 of
19 Title 85 of the Oklahoma Statutes, ~~as amended by this act.~~

20 E. The Company shall be an insurance carrier for purposes of
21 the Workers' Compensation Code.

22 F. The Company shall pay commissions for all business brokered
23 through the Company. A minimum commission of not less than five
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1 percent (5%) of the total amount of the premium or the average
2 commission paid by all competitors of the Company shall be paid.

3 G. Except as otherwise provided in ~~this act~~ the CompSource
4 Mutual Insurance Company Act, the Company shall be subject to the
5 requirements of Title 36 of the Oklahoma Statutes and all regulatory
6 authority granted to the Insurance Commissioner as would any other
7 domestic mutual insurance company.

8 ~~G.~~ H. The Company shall be exempt from the following provisions
9 of Title 36 of the Oklahoma Statutes until three (3) years after the
10 Company begins operating pursuant to subsection A of ~~Section 3~~ of
11 ~~this act~~ this section:

- 12 1. Article 9;
- 13 2. Article 9A, other than Section 924.2 of Title 36 of the
14 Oklahoma Statutes; and
- 15 3. Article 9B.

16 ~~H.~~ I. CompSource Mutual Insurance Company shall not be
17 considered a state agency, public body, department, public trust, or
18 any other term used to describe an entity which is a part of the
19 Executive Branch of the State of Oklahoma under any state statute or
20 regulation, except as otherwise provided for in the CompSource
21 Mutual Insurance Company Act. As such, Oklahoma state statutes that
22 shall not apply to CompSource Mutual Insurance Company include, but
23 are not limited to:

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- 1 1. Sections 301 through 314 of Title 25, Oklahoma Open Meeting
2 Act;
- 3 2. Sections 151 through 158.2 of Title 47, State-Owned
4 Automobiles;
- 5 3. Sections 24A.1 through 24A.29 of Title 51, Oklahoma Open
6 Records Act;
- 7 4. Sections 151 through 200 of Title 51, The Governmental Tort
8 Claims Act;
- 9 5. Title 61 of the Oklahoma Statutes, Public Buildings and
10 Public Works;
- 11 6. Title 62 of the Oklahoma Statutes, Public Finance;
- 12 7. Sections 3-101 through 3-115 of Title 65, Department of
13 Libraries;
- 14 8. Sections 201 through 217 of Title 67, Records Management
15 Act;
- 16 9. Sections 301 through 303 of Title 67, Reproduction of Public
17 Records;
- 18 10. Sections 305 through 317 of Title 67, Archives and Records
19 Commission;
- 20 11. Sections 82.1 through 97 of Title 73, Capitol Grounds and
21 Surroundings;
- 22 12. Chapters 4, 8, 10, 13, 17, 19, 27A, 30, 31, 37, 37A, 37B,
23 38A, 38B, 45, 45A, 48, 49, 50, 53, 56, 61, 81 and 110A of Title 74;
24 and

1 13. Section 34.2 of Title 80.

2 ~~F.~~ J. By enacting the CompSource Mutual Insurance Company Act,
3 the Legislature creates CompSource Mutual Insurance Company which,
4 subject to the provisions of ~~this act~~ the CompSource Mutual
5 Insurance Company Act:

6 1. Shall be organized and operated under Oklahoma law, but be
7 independent of the State of Oklahoma;

8 2. Shall provide workers' compensation insurance to any
9 employer in Oklahoma which seeks such insurance and meets other
10 reasonable requirements relating thereto;

11 3. Shall not be permitted to dissolve; and

12 4. Shall have a majority of the Board of Directors or oversight
13 body of such organization appointed by the Governor or legislative
14 officers as specified in Section 4 375.4 of this ~~act~~ title.

15 ~~F.~~ K. Effective January 1, 2015, any references in the Oklahoma
16 Statutes to CompSource Oklahoma or The State Insurance Fund shall be
17 deemed references to CompSource Mutual Insurance Company.

18 SECTION 2. This act shall become effective November 1, 2015.

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20 55-1-6192 SD 01/11/15
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