

1 STATE OF OKLAHOMA

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

3 SENATE BILL 716

By: Standridge

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5  
6 AS INTRODUCED

7 An Act relating to health care services; amending 36  
8 O.S. 2011, Section 110, which relates to certain  
9 application; providing exemption to certain entities;  
10 providing definitions; prescribing certain notice;  
11 providing for severability; providing for  
12 codification; and providing an effective date.

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

14 SECTION 1. AMENDATORY 36 O.S. 2011, Section 110, is  
15 amended to read as follows:

16 Section 110. No provision of the Oklahoma Insurance Code,  
17 Section 101 et seq. of this title, shall apply to:

18 1. Nonprofit hospital service and medical indemnity  
19 corporations, except as stated in Sections 601 et seq. and 2601 et  
20 seq. of this title;

21 2. Fraternal benefit societies, except as stated in Section  
22 2701.1 et seq. of this title;

23 3. Farmers' mutual fire insurance associations, except as  
24 stated in Section 2801 et seq. of this title;

1 4. Mutual benefit associations, except as stated in Section  
2 2401 et seq. of this title;

3 5. Domestic burial associations;

4 6. Any domestic association organized subject to the  
5 supervision or by the authority of any incorporated Grange Order of  
6 Patrons of Husbandry, when the association is formed exclusively for  
7 the mutual benefit of the members of such order. Effective January  
8 1, 1982, The Oklahoma State Union of the Farmers' Educational and  
9 Cooperative Union of America shall comply with all provisions of the  
10 Oklahoma Insurance Code;

11 7. Trust companies organized pursuant to the provisions of  
12 Title 6 of the Oklahoma Statutes except that the title insurance and  
13 surety insurance business of such trust companies shall be subject  
14 to the Oklahoma Insurance Code;

15 8. Soliciting agents of mutual insurance corporations or  
16 associations, operating only in this state, that issue no stock or  
17 other form of security, do not operate for profit, and have none of  
18 their funds inure to the benefit of individuals except in the form  
19 of less expensive insurance and necessary expenses of operation, if  
20 provisions are made in the bylaws of the insurer for the election of  
21 any soliciting agents by a majority of the policyholders in the area  
22 where the soliciting agent solicits insurance;

23 9. The Mutual Aid Association of the Church of the Brethren or  
24 the Mutual Aid Association of the Mennonite and Brethren in Christ;

1           10. Incorporated or unincorporated banking associations having  
2 been in existence for over fifteen (15) years and consisting of more  
3 than seventy-five (75) member banks within this state for issuance  
4 of blanket fidelity bonds for banks within this state for each  
5 bank's own use, or any nonprofit trust sponsored by such  
6 associations' member banks providing employee benefits such as life,  
7 health, accident, disability, pension and retirement benefits for  
8 banks, bank holding companies and subsidiaries thereof, the  
9 associations' employees and associate members;

10           11. A religious organization, or members of the organization,  
11 if the organization:

- 12           a. is a nonprofit religious organization,
- 13           b. is limited to participants who are members of the same  
14           religion,
- 15           c. acts as an organizational clearinghouse for  
16           information between participants who have financial,  
17           physical or medical needs and participants with the  
18           present ability to pay for the benefit of those  
19           participants with present financial or medical needs.  
20           Nothing in this subparagraph shall prevent the  
21           organization from establishing qualifications of  
22           participation relating to the health of the  
23           prospective participant, nor shall it prevent the  
24           participants from limiting the financial or medical

1 needs that may be eligible for payment among the  
2 participants,

3 d. provides for the financial or medical needs of a  
4 participant through payments directly from one  
5 participant to another, and

6 e. suggests amounts that participants may voluntarily  
7 give with no assumption of risk or promise to pay  
8 either among the participants or between the  
9 participants and the organization. Nothing in this  
10 subparagraph shall prevent the organization from  
11 cancelling the membership of a participant if the  
12 participant indicates unwillingness to participate by  
13 failing to make a payment to another participant for a  
14 period in excess of sixty (60) days; ~~or~~

15 12. Charitable organizations that:

16 a. are described in Section 501(c)(3) of the Internal  
17 Revenue Code and Section 170(c) of the Internal  
18 Revenue Code,

19 b. issue qualified charitable gift annuity contracts,

20 c. have a minimum of One Hundred Thousand Dollars  
21 (\$100,000.00) in unrestricted assets that are  
22 exclusive of the assets comprising its qualified  
23 charitable gift annuities, and  
24

1           d.    have been in continuous operation for at least three  
2                   (3) years or are successors or affiliates of a  
3                   charitable organization that has been in continuous  
4                   operation for at least three (3) years,

5           except as stated in the Oklahoma Charitable Gift Annuity Act i

6 or

7           13. Health care sharing ministries as defined by Section 2 of  
8 this act.

9           SECTION 2.       NEW LAW       A new section of law to be codified  
10          in the Oklahoma Statutes as Section 4604 of Title 36, unless there  
11          is created a duplication in numbering, reads as follows:

12          A.    For the purposes of this act:

13           1.    "Health care sharing ministry" means a faith-based, not-for-  
14          profit organization that is tax exempt under the Internal Revenue  
15          Code which:

16           a.    limits its participants to those who are of a similar  
17                   faith,

18           b.    acts as a facilitator among participants who have  
19                   financial or medical needs and matches those  
20                   participants with other participants with the present  
21                   ability to assist those with financial or medical  
22                   needs in accordance with criteria established by the  
23                   health care sharing ministry,

- 1 c. provides for the financial or medical needs of a  
2 participant through contributions from one participant  
3 to another,
- 4 d. provides amounts that participants may contribute with  
5 no assumption of risk or promise to pay among the  
6 participants and no assumption of risk or promise to  
7 pay by the health care sharing ministry to the  
8 participants,
- 9 e. provides a written monthly statement to all  
10 participants that lists the total dollar amount of  
11 qualified needs submitted to the health care sharing  
12 ministry as well as the amount actually published or  
13 assigned to participants for their contribution, and
- 14 f. provides a written disclaimer on or accompanying all  
15 applications and guideline materials distributed by or  
16 on behalf of the organization that reads, in  
17 substance:

18 "Notice: The organization facilitating the sharing of  
19 medical expenses is not an insurance company, and  
20 neither its guidelines nor plan of operation is  
21 an insurance policy. Whether anyone chooses to  
22 assist you with your medical bills will be  
23 totally voluntary because no other participant  
24 will be compelled by law to contribute toward

1 your medical bills. As such, participation in  
2 the organization or a subscription to any of its  
3 documents should never be considered to be  
4 insurance. Regardless of whether you receive any  
5 payments for medical expenses or whether this  
6 organization continues to operate, you are always  
7 personally responsible for the payment of your  
8 own medical bills."

9 B. A health care sharing ministry shall not be considered to be  
10 engaging in the business of insurance in this state.

11 SECTION 3. The provisions of this act are severable and if any  
12 part or provision shall be held void the decision of the court so  
13 holding shall not affect or impair any of the remaining parts or  
14 provisions of this act.

15 SECTION 4. This act shall become effective November 1, 2015.

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