

1 **SENATE FLOOR VERSION**

2 February 13, 2017

3 SENATE BILL NO. 478

By: Brown

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5  
6 [ **insurance - Health Care Choice Act - codification -**  
7 **emergency** ]  
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9

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

11 SECTION 1. AMENDATORY 36 O.S. 2011, Section 307, is  
12 amended to read as follows:

13 Section 307. The Insurance Commissioner shall be charged with  
14 the duty of administration and enforcement of the provisions of the  
15 Oklahoma Insurance Code and of any requirements placed on an  
16 insurance company pursuant to ~~subsection L of section 1111 of Title~~  
17 ~~47 of the Oklahoma Statutes~~ or any other law applicable within this  
18 state. The ~~Insurance~~ Commissioner shall have jurisdiction over  
19 complaints against all persons engaged in the business of insurance,  
20 and shall hear all matters either in person, by authorized  
21 disinterested employees, or by hearing examiners appointed by the  
22 Commissioner for that purpose. It shall be the duty of the  
23 ~~Insurance~~ Commissioner to file and safely keep all books and papers  
24 required by law to be filed with the Insurance Department, and to

1 keep and preserve in permanent form a full record of proceedings,  
2 including a concise statement of the conditions of such insurers and  
3 other entities reported and examined by the Department and its  
4 examiners. The Commissioner shall, annually, at the earliest  
5 practicable date after returns are received from the several  
6 authorized insurers and other organizations, make a report to the  
7 Governor of the State of Oklahoma of the affairs of the Office of  
8 the ~~Insurance~~ Commissioner, which report shall contain a tabular  
9 statement and synopsis of the several statements, as accepted by the  
10 Insurance Commissioner, which shall include with respect to each  
11 insurance company the admitted assets, liabilities except capital,  
12 capital and surplus, Oklahoma premium income, amount of claims paid  
13 in Oklahoma, and such other matters as may be of benefit to the  
14 public. The Commissioner may educate consumers and make  
15 recommendations regarding the subject of insurance in this state,  
16 and shall set forth in a statement the various sums received and  
17 disbursed by the Department, from and to whom and for what purpose.  
18 Such report shall be published by and subject to the order of the  
19 said ~~Insurance~~ Commissioner. The ~~Insurance~~ Commissioner shall, upon  
20 retiring from office, deliver to the qualified successor all  
21 furniture, records, papers and property of the office.

22 SECTION 2. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 4413 of Title 36, unless there  
24 is created a duplication in numbering, reads as follows:

1 Sections 2 through 4 of this act shall be known and may be cited  
2 as the "Health Care Choice Act".

3 SECTION 3. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 4414 of Title 36, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. The Oklahoma Legislature recognizes the need for  
7 individuals, employers, and other purchasers of health insurance  
8 coverage in this state to have the opportunity to choose health  
9 insurance plans that are more affordable and flexible than existing  
10 market policies offering accident and health coverage. Therefore,  
11 the Oklahoma Legislature seeks to increase the availability of  
12 health insurance coverage by allowing insurers authorized to engage  
13 in the business of insurance in other states to issue accident and  
14 health policies in Oklahoma.

15 B. The Insurance Commissioner may negotiate one or more  
16 compacts with other states to allow insurers domiciled in such  
17 compacting state to sell specified lines of coverage in Oklahoma  
18 without being granted a certificate of authority by Oklahoma. Such  
19 compacts shall provide for appropriate protection of Oklahoma  
20 consumers by allowing the Commissioner to regulate the market  
21 conduct and financial solvency of the nonadmitted insurers pursuant  
22 to compact provisions. The terms of any such compact shall be  
23 presumed a valid exercise of the discretionary authority of the  
24 Commissioner. The compact shall be subject to disapproval by a

1 majority vote of both houses of the State Legislature, in the form  
2 of a concurrent resolution, or by the Governor, tin the form of an  
3 executive order. Such disapproval by the Legislature or by the  
4 governor shall be done prior to the effective date of the compact,  
5 if the effective date occurs while the Legislature is in session.

6 If the Legislature is not in session on the presumed effective  
7 date of the compact, the compact may be disapproved within fifteen  
8 (15) days of the commencement of the next legislative session. If  
9 the Legislature or the Governor does not disapprove the compact  
10 within the specified time periods, the compact shall be deemed  
11 approved and shall become effective upon the effective date  
12 specified in the compact.

13 C. Any examination by the Commissioner of the market conduct  
14 and solvency of any out-of-state companies seeking to offer health  
15 benefit plans in this state, or who have been given approval to  
16 offer health benefit plants in this state, shall be conducted in the  
17 same manner and under the same terms and conditions as examinations  
18 of companies located in this state.

19 D. The out-of-state insurers shall not be required to offer or  
20 provide state-mandated health benefits required by Oklahoma law or  
21 regulations in health insurance policies sold to Oklahoma residents.

22 E. Domestic insurers authorized to sell specified lines of  
23 coverage in Oklahoma may sell policies that are substantially  
24 comparable to policies sold by out-of-state insurers pursuant to

1 this section. Domestic insurers selling policies pursuant to this  
2 section shall be required to comply with the provisions of this  
3 section.

4 F. Each written application for participation in an out-of-  
5 state health benefit plan shall contain the following language in  
6 boldface type at the beginning of the document:

7 "This policy is primarily governed by the laws of (insert state  
8 where the master policy is filed); therefore, all of the rating laws  
9 applicable to policies filed in this state do not apply to this  
10 policy, which may result in increases in your premium at renewal  
11 that would not be permissible in an Oklahoma-approved policy. Any  
12 purchase of individual health insurance should be considered  
13 carefully since future medical conditions may make it impossible to  
14 qualify for another individual health policy. For information  
15 concerning individual health coverage under an Oklahoma-approved  
16 policy, please consult your insurance agent or the Oklahoma  
17 Department of Insurance."

18 G. Each out-of-state health benefit plan shall contain the  
19 following language in boldface type at the beginning of the  
20 document:

21 "The benefits of this policy providing your coverage are  
22 governed primarily by the law of a state other than Oklahoma. While  
23 this health benefit plan may provide you a more affordable health  
24 insurance policy; it may also provide fewer health benefits than

1 those normally included as state-mandated health benefits in  
2 policies in Oklahoma. Please consult with your insurance agent to  
3 determine which Oklahoma state-mandated health benefits are excluded  
4 under this policy."

5 H. Nonadmitted, out-of-state insurers selling specified lines  
6 of coverage in Oklahoma pursuant to the provisions of the Health  
7 Care Choice Act shall be subject to payment of any applicable  
8 premium taxes pursuant to Section 624 of Title 36 of the Oklahoma  
9 Statutes.

10 I. The Commissioner may promulgate rules necessary for the  
11 administration and implementation of the Health Care Choice Act.

12 SECTION 4. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 4416 of Title 36, unless there  
14 is created a duplication in numbering, reads as follows:

15 Pursuant to the provisions of the Health Care Choice Act, a  
16 foreign health insurer may sell, offer and provide a health benefit  
17 plan to residents in this state, if that insurer:

18 1. Offers the same health benefits plan in its domiciliary  
19 state and is in compliance with all applicable laws, regulations,  
20 and other requirements of its domiciliary state;

21 2. Obtains a certificate of authority to do business as a  
22 foreign health insurer in the state pursuant to the provisions of  
23 Section 3 of this act;

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1           3. Participates, on a nondiscriminatory basis, in the Oklahoma  
2 Life and Health Insurance Guaranty Association Act; and

3           4. Participates on a nondiscriminatory basis and in the same  
4 manner as admitted, participating insurers to the Health Insurance  
5 High Risk Pool.

6           ~~SECTION 5. It being immediately necessary for the preservation~~  
7 ~~of the public peace, health or safety, an emergency is hereby~~  
8 ~~declared to exist, by reason whereof this act shall take effect and~~  
9 ~~be in full force from and after its passage and approval.~~

10 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE  
11 February 13, 2017 - DO PASS AS AMENDED  
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