

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 524</b>
<b>Version:</b>	<b>Engrossed Senate</b>
<b>Request Number:</b>	<b>N/A</b>
<b>Author:</b>	<b>Rep. Sneed</b>
<b>Date:</b>	<b>3/29/2021</b>
<b>Impact: \$0</b>	

**Research Analysis**

SB 524 directs the Insurance Commissioner to develop and administer an assigned risk plan to provide workers' compensation insurance coverage to employers who are unable to procure coverage in the voluntary market. To qualify for the plan, an employer must have been declined coverage by at least two unaffiliated insurers. Premiums provided to qualifying employers must be actuarially sound, consistent with industry standards for classification and rate-making methodologies and calculated to enable the plan to be self-sustaining and able to operate without employers and insurers in the voluntary market. The measure allows the Commissioner to designate a third party to develop and administer the assigned risk plan for a three-year period beginning the effective date of the act. After that period, the Commissioner shall contract with the same or another qualified third party to continue the administration. Additionally, prior to the operation of the assigned risk plan but no later than January 1, 2023, the measure designates CompSource Mutual Insurance Company as the residual market mechanism for those insureds who would otherwise be in the assigned risk plan.

The measure also repeals the CompSource Mutual Insurance Company Act ([85 O.S. Section 375](#)), as well as 85 O.S. Supp. 2020, [Sections 380](#) and [396](#).

Prepared By: Emily McPherson

**Fiscal Analysis**

SB 524 repeals several sections of insurance law and creates a new high-risk worker's compensation coverage. According to officials at the Oklahoma Insurance Department, this measure does not create a fiscal impact for OID. As OID in a nonappropriated agency, there is no fiscal impact to the State.

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**Other Considerations**

None.