

RULE IMPACT STATEMENT

1. RULE

Proposed PERMANENT rules:

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| Subchapter 1. | General Provisions |
| 365:15-1-3.1. | Workers' compensation optional deductible form [AMENDED] |
| 365:15-1-3.2. | Financial requirements – mega deductible workers' compensation policies [NEW] |
| 365:15-1-25. | Loss runs and claims history [NEW] |
| Appendix B. | Oklahoma Workers' Compensation Optional Deductible Acceptance/Rejection Form [REVOKED] |
| Appendix B. | Oklahoma Workers' Compensation Optional Deductible Acceptance/Rejection Form [NEW] |

2. PURPOSE

365:15-1-3.1 is amended to provide greater clarity to the form required by Title 85A, Section 95.

365:15-1-3.2 is a proposed new rule setting out the requirements for insurance companies issuing certain mega deductible workers' compensation policies. The requirements include full collateralization of the aggregate outstanding deductible reimbursement obligations of the policyholder. The rule outlines what "collateral" can be used, and sets forth the financial requirements for insurers issuing these policies. The rule exempts an insurer that has an A.M. Best Company rating of A or above and has at least \$500,000,000.00 in direct written premium.

365:15-1-25 is a new rule that clarifies the information that must be included on loss runs provided by insurers.

Appendix B is revoked and re-passed to reflect a change to the authorizing statute and the updated rules related to the optional deductibles.

3. CLASSES AFFECTED:

- A. Workers' compensation insurers
- B. Insurance companies

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

No information

5. CLASSES BENEFITTED:

- A. Workers' compensation insurers
- B. Insurance companies

6. ECONOMIC IMPACT:

Unknown

7. PROBABLE COST TO AGENCY AND EFFECT ON STATE REVENUES:

None Anticipated

8. SOURCE OF REVENUE:

Normal yearly budgeted funds

9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:

None

10. EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

Unknown

11. LESS COSTLY/LESS INTRUSIVE METHODS:

Unknown

12. EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF RULE NOT IMPLEMENTED:

Unknown

13. EFFECT ON SMALL BUSINESS

Implementation of the proposed rule will not have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

14. DATE PREPARED:

February 16, 2016