STATE OF OKLAHOMA

WORKERS’ COMPENSATION COMMISSION

MINUTES

of the

WORKERS’ COMPENSATION COMMISSION

FOR THE STATE OF OKLAHOMA

for the

April 20, 2017

Regular Public Meeting
MINUTES OF THE MEETING OF THE WORKERS’ COMPENSATION COMMISSION FOR THE STATE OF OKLAHOMA

The members of the Workers’ Compensation Commission for the state of Oklahoma met at 1915 N. Stiles Ave., Oklahoma City, Oklahoma, on April 20, 2017. Members present: Chairman Gilliland, Commissioner Liotta, and Commissioner Russell.

Others in attendance on behalf of the Commission: Kim Bailey, John Crittenden, Stormy Moore, Jennifer Reeves, and Scott Chance.

Chairman Gilliland expressed appreciation for those in attendance. After the roll was taken, he announced the presence of a quorum and the Statement of Compliance with the Open Meeting Act was read. The meeting was called to order at approximately 1:30 p.m.

Approval of Minutes


Motion: Commissioner Liotta moved to approve the minutes of the March 16, 2017, March 23, 2017, April 6, 2017 and April 7, 2017 public meetings.

Second: Commissioner Russell.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

The motion carried.

1. Proposed Fiscal Year 2018 Contract between the Commission and the Oklahoma Office of the Attorney General

The Commission considered a proposed contract engaging the legal services of the Oklahoma Office of the Attorney General for FY-2018. The cost of the contract is $63,447.60.

Commission Executive Director, Kim Bailey was recognized to report and make a recommendation. She recommended that the Commission approve the adoption of the contract.

Motion: Commissioner Liotta moved to approve the contract.
Second: Chairman Gilliland

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

2. **Discussion and Consideration of the Fiscal Year 2018 Shared Services Agreement between the Commission and the Office of Management Enterprise Services**

The Commission considered approving the renewal of the Shared Services Agreement with the Office of Management Enterprise Services for FY18, encumbering funds in the amount of $167,229.00. This Agreement includes Information Services, Human Capital Management, and Central Accounting and Reporting. The Agreement signed in FY17 continues until such time as modified or terminated.

Commission CFO Jennifer Reeves was recognized to report and make a recommendation. She recommended that the Commission approve the renewal of the Agreement.

Motion: Commissioner Liotta moved to approve the renewing of the FY 2018 Shared Services Agreement between the Commission and the Office of Management Enterprise Services.

Second: Commissioner Russell.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

3. **Discussion and Consideration of Renewal of Self Insurance Guaranty Fund Contract for Fiscal Year 2018**

Under 85A O.S. Supp. 2014, § 99 the Commission may contract with an appropriate state governmental entity, as approved by the Commission, for claims administration, including processing, investigating and paying valid claims against an impaired self-insurer with the monies from the released security. The Commission considered approving a one-year renewal of the contract with the Self-insurance Guaranty Fund Board in the amount of $30,880.00 for workers’ compensation claims administration services dealing with the security posted by a self-insurer and released for the payment of the self-insurer’s workers' compensation obligations.
Commission Executive Director Kim Bailey was recognized to report and make a recommendation. She recommended that the Commission adopt the contract renewal with the Self Insurance Guaranty Fund.

**Motion:** Chairman Gilliland moved to approve the adoption of the contract renewal.

**Second:** Commissioner Russell.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

4. **Discussion and Consideration of the Renewal of the Memorandum of Understanding (MOU) between the WCC and Self-insurance Guaranty Fund Board (SIGF) for Fiscal Year 2018.**

The MOU established the services performed by the WCC’s Chief Financial Officer for the SIGF and the SIGF’s payment for the WCC’s costs in providing such services. The Commission considered approving a one-year renewal of the MOU with the SIGF Board in the amount of $5,000.00.

Commission Executive Director Kim Bailey was recognized to report and make a recommendation. She recommended that the Commission approve renewing the Memorandum of Understanding (MOU) for FY 2018.

**Motion:** Chairman Gilliland moved to approve renewing the Memorandum of Understanding (MOU) between the WCC and Self Insurance Guaranty Fund Board (SIGF) for Fiscal Year 2018.

**Second:** Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

5. **Discussion and Consideration of Assessment and Assessment Rate for the Multiple Injury Trust Fund (MITF)**

The commissioners of the Workers' Compensation Commission shall establish an assessment rate applicable to each mutual or interinsurance association, stock company, or other insurance carrier writing workers' compensation insurance in this state, each employer carrying its own risk, and each group self-insurance association, for purposes of computing the assessment necessary to pay the annual obligations of the Multiple Injury Trust Fund determined on or before
December 31 of each year by the MITF Director, to be outstanding for the next calendar year. The rate shall be equal for all parties required to pay the assessment. The maximum assessment rate is six percent (6%). The Commission considered establishing the assessment rate for the MITF.

Stormy Moore and MITF Director Richard Cole were recognized to report and make a recommendation.

Motion: Chairman Gilliland moved to accept assessment at the 6% cap as recommended by the attached memo.

Second: Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

6. Consent Agenda for Travel Vouchers Currently Outstanding

85A O.S. §23 states any commissioner or employee of the Commission shall be entitled to receive his or her necessary traveling expenses as provided in the State Travel Reimbursement Act. The expenses shall be certified by the person who incurred them and shall be allowed and paid on presentation of vouchers approved by the Commission. In accordance with this section, the Commission considered a vote to approve the currently outstanding vouchers.

Motion: Commissioner Liotta moved to approve the travel vouchers currently outstanding.

Second: Chairman Gilliland.

Those voting aye: Commissioner Liotta, Commissioner Russell and Chairman Gilliland.

The motion carried.

7. Legislative Report

Commissioner Liotta reported on meetings he has attended with legislators. He also reported on current workers’ compensation legislation including FY18 budget requests that are processing through the Legislature.

8. Possible Executive Session Pursuant to Title 25 O.S. § 307(B)(1) for the purpose of discussing the Commission’s annual employment evaluations
The commissioners considered going into Executive Session for purposes of discussing the Commission’s annual employment evaluations for Human Resources Director, Clif Cypert, Administrative Law Judge Shane Curtin, and Commission Counsel, Lindsey Christopher, under §307(B)(1).

A. Motion: Commissioner Liotta moved to go into Executive Session for the purpose of discussing the Commission’s annual employment evaluations for Human Resources Director, Clif Cypert, Administrative Law Judge Shane Curtin, and Commission Counsel, Lindsey Christopher.

Second: Commissioner Russell.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

The motion carried.

B. Motion: Chairman Gilliland moved to reconvene Open Session.

Second: Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.

No Action was taken as a result of Executive Session.

Announcements

Chairman Gilliland announced the next regular meeting of the Commission is scheduled for Thursday, May 18, 2017 and the next regular appeals meeting is scheduled for Friday, April 21, 2017.

Adjournment

Motion: Chairman Gilliland moved to adjourn.

Second: Commissioner Liotta.

Those voting aye: Commissioner Liotta, Commissioner Russell, and Chairman Gilliland.
The motion carried.

Chairman Gilliland announced the meeting was adjourned.
TO: Workers’ Compensation Payors
FROM: Kim Bailey, Executive Director
DATE: April 20, 2017
SUBJECT: NOTICE OF ASSESSMENT RATE – July 1, 2017 through June 30, 2018 – Multiple Injury Trust Fund Assessment per Title 85A O.S., § 31

The Multiple Injury Trust Fund (MITF) assessment rate to be charged in accordance with 85A O.S., §31 for the four-quarter period of July 1, 2017 through June 30, 2018 is six percent (6.00%) of one of the following:

• Gross direct premiums written for workers’ compensation for risks located in this state (applicable to insurance carriers);
• Normal premiums (applicable to group self-insurance associations); or
• Actual paid losses (applicable to individual self-insured employers).

The rate, which cannot exceed 6.00%, was calculated using a statutory formula. The formula involves dividing the sum total of gross direct written premiums, normal premiums and actual paid losses reported by workers’ compensation payors for calendar year 2016 into the sum of the MITF’s projected obligations for calendar year 2018 (See the calculation on Page 2).

By May 1st of each year the Workers’ Compensation Commission provides notice of the assessment rate, which is established annually, to be paid quarterly. Assessments are due on the 15th day of the month following the end of the calendar quarter and are based on the payor’s premiums or losses (as applicable) during the quarter. Quarterly reminder notices are NOT provided.

A summary of the payment due dates and calculation of the assessment for the four-quarter period of July 1, 2017 through June 30, 2018 follows:

Payment Due October 15, 2017 For the third quarter of calendar year 2017 - Assessment amount is 6.00% of premiums or losses, as applicable, for the period of July 1, 2017 through September 30, 2017.

Payment Due January 15, 2018 For the fourth quarter of calendar year 2017 - Assessment amount is 6.00% of premiums or losses, as applicable, for the period of October 1, 2017 through December 31, 2017.

Payment Due April 15, 2018 For the first quarter of calendar year 2018 - Assessment amount is 6.00% of premiums or losses, as applicable, for the period of January 1, 2018 through March 31, 2018.

Payment Due July 15, 2018 For the second quarter of calendar year 2018 - Assessment amount is 6.00% of premiums or losses, as applicable, for the period of April 1, 2018 through June 30, 2018.
The MITF Assessment Report forms may be accessed by linking directly with the Tax Commission’s web site at: [http://www.ok.gov/tax/Forms_&_Publications/Forms/Workers_Compensation/](http://www.ok.gov/tax/Forms_&_Publications/Forms/Workers_Compensation/).

Complete the report and mail it and your remittance by the appropriate due date to:

OKLAHOMA TAX COMMISSION  
Account Maintenance Division  
Special Taxes  
2501 North Lincoln Boulevard  
Oklahoma City, Oklahoma 73194-0004

By law, notice of each assessment payment must be given to the Oklahoma Insurance Commissioner (if you are an insurance carrier) or to the Workers’ Compensation Commission Insurance Services Director (if you are an Individual Own Risk employer or Group self-insurance association). Mail notice of payment as instructed at the bottom of your Workers’ Compensation Multiple Injury Trust Fund (MITF) Assessment Report form.

Retain a copy of the completed report for your records. Failure to timely remit the assessment, or to provide notification that payment was remitted, may result in administrative penalties, including but not limited to, the greater of $500 or 1% of the unpaid amount.

Direct questions about remittance of the assessment to the Oklahoma Tax Commission, Account Maintenance Division, (405) 521-3145.

Direct questions about the assessment rate to InsuranceDepartment@wcc.ok.gov or mark.bolerjack@mitf.ok.gov.

Formula = \[
\frac{2018 \text{ MITF Projected Obligations}}{\text{Gross Direct Premiums + Own Risk Actual Paid Losses + Group Normal Premiums}}
\]

\[
= \frac{\$67,424,921}{\$672,893,533 + \$92,298,213 + \$25,669,470} = \frac{\$67,424,921}{\$790,861,216} = 8.53\%, \text{ which is capped at 6.00}\% 
\]
NOTICE

Re: Multiple Injury Trust Fund Assessment Rate

In accordance with 85A O.S., 31, the Multiple Injury Trust Fund (MITF) assessment rate to be charged for the four-quarter period of July 1, 2017 through June 30, 2018, shall be 6.00% of one of the following:

• Gross direct premiums written for workers’ compensation for risks located in this state (applicable to insurance carriers);
• Normal premiums (applicable to group self-insurance associations); or
• Actual paid losses (applicable to individual self-insured employers).

Assessments are due on the 15th day of the month following the end of the calendar quarter and are based on the payor’s premiums or losses (as applicable) during the quarter. The assessment reporting form is available at Oklahoma Tax Commission’s web site at http://www.tax.ok.gov/wcforms.html.

Assessment rates since the inception of the law are as follows:

<table>
<thead>
<tr>
<th>Assessment Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/02 - 6/30/02</td>
<td>6.00%</td>
</tr>
<tr>
<td>7/1/02 - 6/30/03</td>
<td>6.00%</td>
</tr>
<tr>
<td>7/1/03 - 6/30/04</td>
<td>2.95%</td>
</tr>
<tr>
<td>7/1/04 - 6/30/05</td>
<td>3.63%</td>
</tr>
<tr>
<td>7/1/05 - 6/30/06</td>
<td>3.83%</td>
</tr>
<tr>
<td>7/1/06 - 6/30/07</td>
<td>3.46%</td>
</tr>
<tr>
<td>7/1/07 - 6/30/08</td>
<td>2.14%</td>
</tr>
<tr>
<td>7/1/08 - 6/30/09</td>
<td>2.50%</td>
</tr>
<tr>
<td>7/1/09 - 6/30/10</td>
<td>2.60%</td>
</tr>
<tr>
<td>7/1/10 - 6/30/11</td>
<td>2.59%</td>
</tr>
<tr>
<td>7/1/11 - 6/30/12</td>
<td>1.98%</td>
</tr>
<tr>
<td>7/1/12 - 6/30/13</td>
<td>3.39%</td>
</tr>
<tr>
<td>7/1/13 - 6/30/14</td>
<td>5.18%</td>
</tr>
<tr>
<td>7/1/14 - 6/30/15</td>
<td>6.00%</td>
</tr>
<tr>
<td>7/1/15 - 6/30/16</td>
<td>6.00%</td>
</tr>
<tr>
<td>7/1/16 - 6/30/17</td>
<td>6.00%</td>
</tr>
<tr>
<td>7/1/17 – 6/30/17</td>
<td>6.00%</td>
</tr>
</tbody>
</table>