

RULE IMPACT STATEMENT

1. Rules

Proposed PERMANENT rules:

- Subchapter 1. General Provisions
- 365:15-1-3.3. Oklahoma workers' compensation assigned risk insurance plan [NEW]
- 365:15-1-26. Motor vehicle repairs [NEW]

2. PURPOSE

365:15-1-3.3. Adds in parameters for a third-party designation and direct assignment by the Commissioner for the new risk pool created by statute last year.

365:15-1-26. Adds parameters for Insurers to follow when doing market surveys for body shop repairs.

3. CLASSES AFFECTED:

- a. Insurance Companies
- b. Regulated Entities
- c. Oklahoma Insurance Department

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

None.

5. CLASSES BENEFITTED:

- a. Insurance Companies
- b. Regulated Entities
- c. Oklahoma Insurance Department

6. ECONOMIC IMPACT:

None

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

None

8. SOURCE OF REVENUE:

Not applicable.

9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:

Rules contain no additional fees or express costs. Rules are designed to protect Oklahomans and minimize any potential increased compliance costs to insurers.

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

Not applicable. Voluntary option for Insurance Companies to join the assigned risk pool, and the rules just create those processes. The rules provides a process for the "Market Surveys" already required under 36 O.S. § 1250.8(H).

11. LESS COSTLY/LESS INTRUSIVE METHODS:

Anticipated cost impact is minimal to none. No other less costly or less intrusive methods to achieve the purpose of the rule changes have been identified.

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

If these rules are not adopted, the Department would have little direction to Industry on how to become a member of the assigned risk pool or to apply for direct assignment under the workers compensation risk pool. On the market survey side, these procedures being proposed ensure that the same processes are being used by all companies when assessing labor rates for auto repairs.

13. EFFECT ON SMALL BUSINESS:

None.

14. DATE PREPARED:

November 6, 2023.