

CHAPTER 25. OTHER LICENSEES

SUBCHAPTER 3. PRODUCERS, BROKERS, LIMITED LINES PRODUCERS AND VEHICLE PROTECTION PRODUCT WARRANTORS

365:25-3-14. Insurance adjusters continuing education

(a) **Purpose.** The purpose of this section is to set forth the requirements for continuing education which an insurance adjuster must meet, and to set forth the requirements for approval by the Insurance Commissioner of a proposed continuing education course.

(b) **Definitions.** The following words or terms, when used in this section, shall have the following meaning, unless the context clearly indicates otherwise:

(1) "**CE**" means continuing education.

(2) "**Certificate of course completion**" means a document acceptable to the Commissioner which signifies satisfactory completion of the course and reflects hours of credit earned.

(3) "**Continuing Education Advisory Committee**" means the committee established by the Commissioner for the purpose of reviewing and recommending approval or disapproval of continuing education courses.

(4) "**Credit hour**" means at least fifty (50) minutes of classroom instruction, unless a correspondence or self-study course.

(5) "**Instructor**" means a person who presents course materials approved for continuing education credit hours, and who has experience, training, and/or education in the course subject matter and has been approved by the Commissioner.

(6) "**Instructor Qualification Form**" means a form acceptable to the Commissioner and completed by the instructor which documents qualifications of the instructor.

(7) "**Licensee**" means a natural person who is licensed by the Commissioner as an insurance adjuster.

(8) "**Provider**" means a person, corporation, professional association or its local affiliates, an insurance company or any other entity which is approved by the Commissioner and provides approved continuing education to insurance adjusters.

(9) "**Provider Course Completion Form**" means a form acceptable to the Commissioner and completed by the provider which documents completion of an approved course by an adjuster or adjusters.

(c) **Exceptions.** Continuing education requirements shall not apply to non-resident adjusters licensed in a designated home state or resident state that has a continuing education requirement substantially similar to the continuing education requirement in the State of Oklahoma for adjusters.

(d) **Continuing education requirements.**

(1) **CE during twenty-four month period.** All licensees shall complete the required hours of continuing education as set forth in Section 6217(B) of Title 36 of the laws of this state during each twenty-four month period. The twenty-four month period begins the first day after the license is granted.

(2) **Certificates of course completion required for license renewal.** If requested by the Insurance Department, each adjuster shall submit upon each licensing renewal a certificate(s) of course completion as approved by the Insurance Department, which verifies courses completed during the previous twenty-four month period.

(3) **Credits carried over.** Six (6) credit hours in excess of the minimum twenty-four month period requirement shall carry forward to the next twenty-four month period as general hours. Excess hours may be applied to bring a lapsed license into compliance.

(4) **Legislative Updates.** At least two (2) of the continuing education credit hours of instruction completed by licensees each twenty-four month period shall be taken in the following topics:

(A) State legislative updates, or

(B) Federal legislative updates.

(5) **Earthquake insurance education.** Beginning January 1, 2015, all resident insurance adjuster licensees, or nonresident insurance adjusters who have designated Oklahoma as their home state, with a property line of authority shall complete one (1) hour of continuing education credit in the topic of earthquake insurance as part of the continuing education credit hours required each twenty-four month period.

(6) **Credits for instructors.** An instructor who is a licensee shall receive the same continuing education credit for presenting approved course materials as a licensee who attends an approved classroom instructional session by including his/her name and license number on roster.

(7) **Prerequisite for renewal or reinstatement.** As a prerequisite for license renewal or prior to reinstatement following a lapse of license, an adjuster must demonstrate that the educational requirements have been reported for the previous renewal cycle.

(e) Approval of continuing education providers.

(1) **Information required.** Each provider shall apply for approval by the Commissioner. Each provider, with the exception of public funded educational institutions, federal agencies, nonprofit organizations, not-for-profit organizations, and Oklahoma state agencies shall submit a provider fee of Two Hundred Dollars (\$200.00), and all providers, including public funded educational institutions, federal agencies, nonprofit organizations, not-for-profit organizations and Oklahoma agencies shall provide:

(A) Name, address, and email address of the provider.

(B) Contact person and his or her address and telephone number(s).

(2) **Withheld or withdrawn approval.** The Commissioner may withhold or withdraw approval of any provider for violation of or non-compliance with any provision of this section.

(3) **Renewal fee.** An annual renewal fee of Two Hundred Dollars (\$200.00) shall be payable on or before the approval anniversary date of each year by each provider to renew the approval of the provider. A fee of double the annual renewal fee shall be paid if the application for renewal is late or incomplete on the approval anniversary date.

(4) **Reinstatement period.** Providers whose approval has expired may be reinstated pursuant to paragraph 1 of this subsection. The reinstatement period shall be for a period of one (1) year following the expiration of the renewal date. The approval of the provider and any currently active courses shall remain active for the reinstatement period. If the provider and all courses fail to remain active following the reinstatement period, the provider and courses shall not be reinstated and the provider and courses shall be required to be approved pursuant to the provisions of this subsection.

(f) Courses; approval; records.

(1) **Timeline for approval.** At least thirty (30) days prior to the use of any course and not less than ten (10) days prior to the Continuing Education Advisory Committee meeting

immediately preceding the course date, the provider shall apply for and submit the appropriate course review fee to the Commissioner for course approval. The Commissioner shall grant or deny approval based upon information submitted in this section regarding each course or additional information regarding the course, if necessary. The Commissioner will assign the number of CE hours awarded for an approved course and the line or lines of insurance for which the course qualifies. The provider shall submit the following at the time of application:

(A) The number of CE hours requested for each course.

(B) Topic outlines which list the summarized topics covered in each course and a copy of any course materials.

(C) If a prior approved course has materially changed, a summarization of those changes.

(2) **Instructor approval.** Instructors shall be approved by the Commissioner at least fourteen (14) calendar days prior to a presentation of a course. The Commissioner may disapprove any course if instructor approval has not been granted. An instructor shall have one of the following qualifications:

(A) Three (3) years of recent experience in the subject area being taught; or

(B) A degree related to the subject area being taught; or

(C) Two (2) years of recent experience in the subject area being taught and twelve (12) hours of college and/or vocational technical school credit hours in the subject area being taught.

(3) **Repeated approved course.** At least fourteen (14) days prior to the repetition of an approved course, the Commissioner shall be notified in writing of the repetition, providing course number, name, date, location and instructor's name.

(4) **Written approval required.** All courses shall require written approval by the Commissioner.

(5) **Withheld or withdrawn approval.** The Commissioner may withhold or withdraw approval for any course. This withdrawal will not affect any CE hours attained under the course previous to the withdrawal.

(6) **Minimum of one credit hour.** Courses submitted for approval must consist of a minimum of one credit hour of course instruction.

(7) **Continuing education course must be separate from meetings.** Courses conducted in conjunction with other meetings must have a separate continuing education course component.

(8) **Content of courses.** Courses must be of a meaningful nature and shall not include the following subjects: motivation, psychology, recruiting, subjects not relating to the adjuster's license, and insurance company specific sales techniques or prospecting.

(9) **Certificate of Course Completion.** At the completion of each course, the provider shall provide the insurance adjuster a "Certificate of Course Completion" Form.

(10) **List of adjusters completing course to Commissioner.** Within ten (10) business days after completion of each course, the provider shall electronically upload a list of all insurance adjusters who completed the course to the Commissioner's database system. This list shall contain the course number, date of completion and license numbers of all insurance adjusters completing the course. If the list is not reported within ten (10) business days, a late report fee of \$50.00 shall be paid to the Insurance Department.

Failure to pay the late report fee may result in revocation of provider approval. Continued late filing may also result in loss of approval.

(11) **Course records maintained four (4) years.** Providers shall maintain course records for at least four (4) years. The Commissioner may order an examination of a provider, at the provider's expense, for good cause shown.

(12) **Course review fee.** A non-refundable course review fee of thirty dollars (\$30.00) per course shall be submitted by all continuing education providers at the time the course submission is first submitted for review and upon submission for renewal at expiration with the exception of publicly funded educational institutions, federal agencies, Oklahoma state agencies, non-profit organizations, and not-for-profit organizations.

(13) **Course evaluation.** The continuing education provider shall provide written notification to each producer of the opportunity to offer comments on any continuing education class via the Insurance Department website.

(g) Approved professional designation programs

(1) Definitions.

(A) **Participation.** As used in 36 O.S. § 6217(C), participates means successfully completing any part of a course curriculum totaling twenty-four (24) classroom or equivalent classroom hours of an approved professional designation program.

(B) **Approved professional designation program.** As used in 36 O.S. § 6217(C), an approved professional designation program means an educational insurance program approved by the Commissioner with a sponsoring organization that administers curriculum requirements and testing standards for candidates.

(2) **Requirements.** A professional designation program shall satisfy the following criteria to receive initial and ongoing approval for the program:

(A) The program shall have a sponsoring organization;

(B) The program's sponsoring organization shall maintain and govern a code of conduct;

(C) The program shall be relevant to the sale, solicitation, or negotiation of insurance products in the State of Oklahoma;

(D) Each course of the professional designation course curriculum shall be a minimum of twenty-four (24) hours of classroom instruction or equivalent classroom instruction; and

(E) The program shall include an examination requirement that students shall pass before earning the designation.

(3) **Submissions.** The sponsoring organization shall submit the following to the Commissioner for its professional designation program to be considered for initial and ongoing approval for the program:

(A) The sponsoring organization's code of conduct;

(B) The sponsoring organization's membership requirements;

(C) The professional designation program's course requirements; and

(D) The professional designation program's examination requirements.

(4) **Submission exemptions.** Professional designation programs recognized by the National Association of Insurance Commissioners (NAIC) for waiver/exemption of pre-licensing education training shall receive initial and continuing approval without submission by the sponsoring organization.

(h) Presumptive continuing education credit approval.

- (1) **Requirements.** A professional association may receive presumptive approval of the association's continuing education courses by satisfying the following requirements:
- (A) The association shall have a mission statement that includes a commitment to enhance the professional, educational, or ethical skills of its members;
 - (B) The association shall maintain and govern a code of member conduct;
 - (C) The association shall offer educational programs relevant to the sale, solicitation, or negotiation of insurance products in the State of Oklahoma; and
 - (D) The association shall perpetuate its continuity through the election of officers.
- (2) **Submissions.** Each professional association shall submit the following to be considered for initial and ongoing presumptive course approval:
- (A) The association's mission statement;
 - (B) The association's code of member conduct;
 - (C) The chapter officers, the responsibilities for each officer, and the term of office for each officer;
 - (D) The mailing address and primary contact for the association; and
 - (E) The list of continuing education courses approved in Oklahoma and offered by the professional association in the past twenty-four (24) months.
- (3) **Notification of approval or disapproval.**
- (A) The Commissioner shall notify the association within ninety (90) days from the receipt of submission whether presumptive approval for continuing education courses was granted. The notification shall indicate the reasons for disapproval.
 - (B) Submissions to the Commissioner by an association seeking presumptive approval of continuing education courses shall include the course summary, instructor name, course date and location and shall be submitted to the Commissioner at least fifteen (15) business days prior to the presentation of the course.
 - (C) If the Commissioner receives a report or reports that the content of a continuing education course may violate paragraph 365:25-3-1(f)(8) of this section, the Commissioner may review the content and determine if the course should be disapproved for noncompliance. The Commissioner shall notify the association if the course has been disapproved due to non-compliance, and the association shall immediately cease offering the course upon receipt of the notification. The association may then make corrections to a disapproved course to bring the course into compliance with paragraph 365:25-3-1(f)(8) of this section and submit the course for approval by the Commissioner in the manner of an original submission for presumptive continuing education course approval.
 - (D) Should an association receive notification of three (3) disapproved courses within a twenty-four (24) month period, the association's presumptive approval for continuing education courses shall be rescinded for twenty-four (24) months after which time the association may re-apply for presumptive approval.
- (4) **Assignment of course number.** The Commissioner shall assign a course number once the presumptive approval for continuing education courses has been granted and shall notify the association of the assigned course number. All future correspondence relating to that course shall reference the assigned course number.

(5) **Instructor approval.** Instructors shall be approved by the Commissioner at least fourteen (14) calendar days prior to a presentation of a course. The Commissioner may disapprove any course if instructor approval has not been granted.

(6) **Review.** Course approval shall be reviewed every three (3) years. The association shall re-submit the items required in subparagraph 365:25-3-14(H)(3)(B) of this section during the fourth quarter of the last approval year.

(7) **Agency management courses.** Agency management courses shall not be considered for presumptive continuing education approval.

(i) **Self study and distance learning courses.** The Insurance Commissioner shall determine appropriate guidelines and standards for self-study and distance learning CEC offerings. The guidelines and standards shall include authentication of the registered licensee, technology requirements for course delivery and testing protocols. Guidelines and standards shall be reviewed and updated as appropriate and published on the Commissioner's website annually. Failure to follow the guidelines and standards established by the Commissioner may result in denial of continuing education credit for the adjuster and revocation of the course approval and or provider status for the Provider.

(j) **Repeating courses.** An insurance adjuster may repeat a course within the twenty-four month period if the maximum credits designated for the course were not attained in the first attempt. By repeating the course, the adjuster may not during the twenty-four month period earn more than the maximum credits designated for the course. An adjuster may repeat a course after two (2) years have elapsed and receive the maximum credits designated for the course.

(k) **Extension of time.** For good cause shown, the Commissioner may grant an extension of time during which the requirements imposed by the act may be completed. The extension shall not exceed twelve (12) months. The extension will not alter the requirements or due date of the succeeding twelve-month period. "Good cause" includes disability, natural disaster, or other extenuating circumstances. Each request for extension of time shall be in writing from the licensee and shall include details and any documentation to support the request. Each request must be received by the Commissioner no less than thirty (30) days before the expiration of the twenty-four month period.

(l) **Continuing education advisory committee.**

(1) There shall hereby be established the Continuing Education Advisory Committee. This committee shall consist of representatives from the Licensing Division, and representatives from the industry as designated by the Commissioner. Members of the Advisory Board established by 36 O.S. § 6221 may also serve on the Continuing Education Advisory Committee. The committee shall meet at least quarterly and additionally as required. Members of the committee shall serve without pay and shall not be reimbursed for any expenses associated therewith.

(2) Prior to the Commissioner's approval or disapproval of a course in 365:25-3-14(f), a continuing education advisory committee will review the course submitted and make its nonbinding recommendation to the Commissioner on granting or denying approval based upon information submitted in 365:25-3-14-(f) regarding the course or additional information regarding the course, if necessary, the number of CE hours awarded for an approved course and the line or lines of insurance for which the course qualifies. Each course approval shall be valid for a period of not more than two (2) years, unless the course has a material change. Material changes to courses require course resubmission for overall course review and approval. Course approval following the review of material

changes shall reset the validity period. At the expiration of the validity period, providers shall submit the course for approval by the Commissioner if the provider wants to continue to offer the course for continuing education credit.

(m) **Severability provision.** If any provision of this section, or application of such provision to any person or circumstances, shall be held invalid, the remainder of the section, and the application of such provision to person or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SUBCHAPTER 5. BAIL BONDSMEN

PART 7. SPECIFIC FINANCIAL CIRCUMSTANCES WARRANTING RELEASE OF PROFESSIONAL DEPOSIT

365:25-5-52. Time governing release of professional deposit

The Commissioner shall release the professional deposit ~~no earlier than ninety (90) days~~ as soon as practicable when there are no outstanding liabilities following the receipt of the request for release.

SUBCHAPTER 7. COMPANIES

PART 5. OKLAHOMA INSURANCE HOLDING COMPANY SYSTEM REGULATORY ACT

365:25-7-20. Purpose

The purpose of this Part is to set forth rules and procedural requirements which the Commissioner deems necessary to carry out the provisions of the Oklahoma Insurance Holding Company System Regulatory Act, 36 O.S. §~~1651~~1631, et seq. ("The Act"). The information called for by this Part is hereby declared to be necessary and appropriate in the public interest and for the protection of policyholders and shareholders in this state.

365:25-7-22. Definitions

Unless the context otherwise requires, terms found in this section and in Section ~~1651~~1631 of the Act are used as defined in the said Section ~~1651~~1631. Other nomenclature or terminology is according to the Insurance Code, or industry usage if not defined by the Code. In addition, the following words or terms, when used in this part, shall have the following meaning, unless the context clearly indicates otherwise:

"**Act**" means the Insurance Holding Company System Regulatory Act, 36 O.S. § ~~1651~~1631, et seq.

"**Executive officer**" means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.

"**Foreign insurer**" means an alien insurer except where clearly noted otherwise.

"**Ultimate controlling person**" means that person which is not controlled by any other person.

365:25-7-23. Forms: general requirements

(a) **Forms A, B, C, D, E, and F.** Forms A, B, C, D, E, and F as set forth in Appendices A, B, N, O, Q, and AA of this Chapter, are intended to be guides in the preparation of the statements

required by Sections ~~1653~~1633, ~~1654~~1635 and ~~1655~~1636 of the Act. They are not intended to be blank forms which are to be filled in. The statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers thereto are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable, or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

(b) **Filing statements.** Two (2) complete copies of each statement, including exhibits and all other papers and documents filed as a part thereof, shall be filed with the Commissioner by personal delivery to the Office of the Insurance Commissioner in Oklahoma City, Oklahoma, or by mail addressed to the Insurance Commissioner of the State of Oklahoma, 3625 NW 56th Street, Suite 100, Oklahoma City, Oklahoma 73112. A copy of a Form C shall be filed in each state in which an insurer is authorized to do business, if the Commissioner of that state has notified the insurer of its request in writing, in which case the insurer has thirty (30) days from receipt of the notice to file such form. At least one of the copies shall be manually signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the statement.

(c) **Format of statements.** Statements should be prepared on paper 8 1/2" x 11" in size and preferably bound at the top or the top left hand corner. Exhibits and financial statements, unless specifically prepared for the filing, may be submitted in their original size. All copies of any statement, financial statements, or exhibits shall be clear, easily readable and suitable for photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies. Statements shall be in the English language, and monetary values shall be stated in United States Currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States Currency.

365:25-7-27.1. Subsidiaries of domestic insurers

The authority to invest in subsidiaries under Section ~~1652~~1632 of the Act is in addition to any authority to invest in subsidiaries which may be contained in any other provision of the Insurance Code.

365:25-7-28. Acquisition of control; statement filing (Form A)

(a) **Form A.** A person required to file a statement pursuant to Section ~~1653~~1633 of the Act shall furnish the required information on Form A, hereby made a part of this section, as set forth in Appendix A of this Chapter. Such person shall also furnish the required information on Form E, as set forth in Appendix Q of this Chapter.

(b) **Amendments to applications.** The applicant shall promptly advise the Commissioner of any changes in the information so furnished on Form A arising subsequent to the date upon which such information was furnished, but prior to the Commissioner's disposition of the application.

(c) Identification of section ~~1653(a)~~1633(A) insurers.

(1) **Domestic insurer name.** If the person being acquired is deemed to be a "domestic insurer" solely because of the provisions of Section ~~1653(a)~~1633(A) of the Act, the name of the domestic insurer on the cover page should be indicated as follows: "ABC Insurance Company, a subsidiary of XYZ Holding Company."

(2) **Section ~~1653(a)~~1633(A).** Where a Section ~~1653(a)~~1633(A) insurer is being acquired, references to "the insurer" contained in Form A (Appendix A of this Chapter) shall refer to both the domestic subsidiary insurer and the person being acquired.

365:25-7-28.1. Pre-acquisition notification

If a domestic insurer, including any person controlling a domestic insurer, is proposing a merger or acquisition pursuant to Section ~~1653(a)~~1633(A) of the Act, that person shall file a preacquisition notification form, Form E, as set forth in Appendix Q of this Chapter. In addition to the information required by Form E, the Commissioner may wish to require an expert opinion as to the competitive impact of the proposed acquisition.

365:25-7-29. Annual registration of insurers; statement filing (Form B)

(a) **Form B.** An insurer required to file an annual registration statement pursuant to Section ~~1654~~1635 of the Act shall furnish the required information on Form B, hereby made a part of this section, as set forth in Appendix B of this Chapter.

(b) **Summary registration.** An insurer required to file an annual registration statement pursuant to Section ~~1654~~1635 of the Act is also required to furnish information required on Form C, as set forth in Appendix N of this Chapter. An insurer shall file a copy of Form C in each state in which the insurer is authorized to do business, if requested by the Commissioner of that state.

(c) Amendments to Form B.

(1) **15 day amendments.** An amendment to Form B (Appendix B of this Chapter) shall be filed within 15 days after the end of any month in which there is a material change to the information provided in the annual registration statement.

(2) **Filing date amendments.** Amendments shall be filed in the Form B format, as set forth in Appendix B of this Chapter, with only those items which are being amended reported. Each amendment shall include at the top of the coverage "Amendment No. [insert number] to Form B for [insert year]" and shall indicate the date of the change and not the date of the original filing.

(d) Alternative and consolidated registrations

(1) **Registration statement for affiliates.** Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers which are required to register under Section ~~1654~~1635 of the Act. A registration statement may include information not required by the Act regarding any insurer in the insurance holding company system even if such insurer is not authorized to do business in this State. In lieu of filing a registration statement on Form B (Appendix B of this Chapter), the authorized insurer may file a copy of the registration statement or similar report which it is required to file in its State of domicile, provided:

(A) the statement or report contains substantially similar information required to be furnished on Form B; and

(B) the filing insurer is the principal insurance company in the insurance holding company system.

(2) **Principal insurance company in holding company.** The question of whether the filing insurer is the principal insurance company in the insurance holding system is a question of fact and an insurer filing a registration statement or reporting in lieu of Form B (Appendix B of this Chapter) on behalf of an affiliated insurer, shall set forth a brief statement of facts which will substantiate the filing insurer's claim that it, in fact, is the

principal insurer in the insurance holding company system.

(3) **Unauthorized insurers.** With the prior approval of the Commissioner, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under (1) of this subsection.

(4) **Section ~~1654(f) or (g)~~1635(H) or (I).** Any insurer may take advantage of the provisions of Section ~~1654 (f) or (g)~~1635(H) or (I) of the Act without obtaining the prior approval of the Commissioner. The Commissioner, however, reserves the right to require individual filings if he/she deems such filings necessary in the interest of clarity, ease of administration or the public good.

(e) Disclaimers and termination of registration

(1) **Disclaimer of affiliation.** A disclaimer of affiliation or a request for termination of registration claiming that a person does not, or will not upon the taking of some proposed action, control another person (hereinafter referred to as the "subject") shall contain the following information:

(A) the number of authorized, issued and outstanding voting securities of the subject.

(B) with respect to the person whose control is denied and all affiliates of such person, the number and percentage of shares of the subject's voting securities which are held of record or known to be beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly.

(C) all material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of such person.

(D) a statement explaining why such person should not be considered to control the subject.

(2) **Termination of registration.** A request for termination of registration shall be deemed to have been granted unless the Commissioner, within 30 days after receipt of the request, notifies the registrant otherwise.

365:25-7-29.1. Transactions subject to prior notice - notice filing (Form D)

An insurer required to give notice of a proposed transaction pursuant to Section ~~1655~~1636 of the Act shall furnish the required information on Form D, hereby made a part of this section, as set forth in Appendix O of this Chapter.

365:25-7-29.2. Enterprise risk report

The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to Section ~~1654(L)~~1635(L) of Title 36 of the Oklahoma Statutes shall furnish the required information on Form F, as set forth in Appendix AA, hereby made a part of these regulations.

365:25-7-30. Extraordinary dividends and other distributions

(a) **Request for approval of extraordinary dividends.** Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:

(1) the amount of the proposed dividend;

(2) the date established for payment of the dividend;

(3) a statement as to whether the dividend is to be in cash or other property and, if in

property, a description thereof, its cost, and its fair market value together with an explanation of the basis for valuation;

(4) A copy of the calculations determining that the proposed dividend is extraordinary. The work paper shall include the following information:

(A) the amounts, dates and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurers own securities) paid within the period of twelve (12) consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought and commencing on the day after the same day of the same month in the last preceding year;

(B) surplus as regards policyholders (total capital and surplus) as of the 31st day of the December next preceding;

(C) if the insurer is a life insurer, the net gain from operations for the 12-month period ending the 31st day of December next preceding;

(D) if the insurer is not a life insurer, the net income less realized capital gains for the 12-month period ending the 31st day of December next preceding and the two preceding 12-months periods; and

(E) if the insurer is not a life insurer, the dividends paid to stockholders excluding distributions of the insurer's own securities in the preceding two (2) calendar years.

(5) a balance sheet and statement of income for the period intervening from the last annual statement filed with the Commissioner and the end of the month preceding the month in which the request for dividend approval is submitted; and

(6) a brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.

(b) **Report of dividends and distributions.** Subject to subsection ~~(e)~~(B) of Section ~~1655~~1636 of the Act, each registered insurer shall report to the Commissioner all dividends and other distributions to shareholders within fifteen (15) business days following the declaration thereof, including the same information required by Section ~~1655(a) and (b)~~1636(A) and (B)

365:25-7-31. Adequacy of surplus

The factors set forth in Section ~~1655(d)~~1636(D) of the Act are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus no single factor is necessarily controlling. The Commissioner, instead, will consider the net effect of all of these factors plus other factors bearing on the financial condition of the insurer. In comparing the surplus maintained by other insurers, the Commissioner will consider the extent to which each of these factors varies from company to company and in determining the quality and liquidity of investments in subsidiaries, the Commissioner will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

PART 15. COMPANY SUPERVISION

365:25-7-81. Definitions

The following words and terms, when used in this Part, shall have the following meaning, unless the context clearly indicates otherwise:

"Confidential information" means all documents, materials, or other information in the possession or control of the Oklahoma Insurance Department ("Department") pursuant to the Oklahoma Insurance Holding Company System Regulatory Act, 36 O.S. §§ ~~1657-11631~~ et seq. and investigatory files, working papers, recorded information, documents, and copies thereof produced by, obtained by, or disclosed to the Commissioner or any other person in the course of an examination made under Sections 309.1 through 309.7 of Title 36 of the Oklahoma Statutes, or in the course of analysis by the Commissioner of the financial condition or market conduct of any person or company.

"Exchange" means sending or receiving information to or from any other Regulator charged with supervision of an insurer or its affiliates, including other state, federal, and international regulatory agencies.

"Supervisory" means those duties of the Commissioner involving the financial condition and solvency of any person or entity engaged, directly or through others, in the business of insurance.

365:25-7-82. Authorization

(a) The Commissioner is authorized to enter into agreements in accordance with Sections ~~1656-11638~~ and ~~1657-11640~~ of Title 36 of the Oklahoma Statutes, providing the basis for cooperation between the Commissioner and other regulatory agencies.

(b) Pursuant to various provisions of Title 36, the Commissioner has the legal authority and power to obtain, hold, and exchange certain confidential information in respect to individuals, legal entities, and groups, including the relevant non-regulated entities of such groups when:

(1) the Commissioner considers the information to be necessary for the supervision of insurance legal entities or groups, or when another Regulator considers the information to be necessary, and

(2) the Commissioner is reasonably requested to provide relevant information by another Regulator.

(c) Information necessary for the supervision of insurance legal entities or groups may include, but is not limited to:

(1) Information on the management and operational systems and controls operated by insurers;

(2) Financial data relating to an insurer and its affiliates;

(3) Information concerning individuals holding positions of responsibility in insurers (to include owners, shareholders, directors, managers, employees, or contractors);

(4) Information concerning individuals or insurers involved, or suspected of being involved, in criminal activities;

(5) Information arising from or developed as part of regulatory investigations and reviews, and on any restrictions imposed on the business activities of insurers;

(6) Information requested and gathered from a supervised entity (including appropriate customer transactional information);

(7) Information reported within supervisory groups to meet group supervisory requirements;

(8) Information on a supervised entity and affiliates including, but not limited to, branches, subsidiaries, and non-regulated holding companies; and

(9) Information on prospective and actual insurer transactions and prospective and actual transactions of policyholders.

365:25-7-83. Professional confidentiality

(a) The Commissioner, including the staff of the Department and any individual acting on its behalf (presently or in the past), are required, as a condition of employment or contract, respectively, to protect confidential information in the possession of the Commissioner or the Department, including confidential information received from other Regulators. Wrongful disclosure of confidential information is grounds for termination of employment or termination of contract, as applicable. In addition, any person failing to maintain confidentiality shall be guilty of a misdemeanor pursuant to 36 O.S. § 117.

(b) The Commissioner shall deny any request for confidential information, other than when required by law, or when requested by another Regulator who has a legitimate supervisory interest and the ability to uphold the confidentiality of the requested information.

(c) The exchange of confidential information shall serve no other purposes than those directly related to the fulfillment of a supervisory function.

(d) The Commissioner has a legitimate interest and a valid purpose related to the fulfillment of supervisory functions in seeking information from another Regulator.

(e) Valid purposes may include, but are not limited to:

(1) Licensing;

(2) Competence, experience, and integrity criteria;

(3) Ongoing supervision, including enforcement action and sanctions;

(4) Supervisory practices;

(5) Winding-up, liquidation, or bankruptcy;

(6) Anti-money laundering or combating the financing of terrorism ("AML/CFT").

(f) All Department personnel and contractors, gaining access to confidential information in the course of their duties, are bound by an obligation of professional confidentiality.

(g) The "obligation of professional confidentiality" means that, as a basic rule, confidential information received by the Department shall not be divulged to any person or authority whatsoever, except as provided by law.

(h) The professional confidentiality requirements apply to any person currently or previously employed by or acting on behalf of the Commissioner or the Department.

(i) Confidential information originating from another Regulator must remain subject to equivalent confidentiality protections provided by this Part. Before passing on confidential information to another Regulator, the Commissioner must ascertain that the person receiving the information is bound by professional confidentiality rules or laws substantially similar and equivalent to subsection "A" of Section ~~1657.11640~~ of Title 36 of the Oklahoma Statutes and who have agreed in writing not to disclose such information.

365:25-7-84. Passing on of confidential information

(a) Any passing on of confidential information, including information that shall be forwarded by way of official reporting, necessitates prior explicit agreement of the Regulator from whom the information originates and must be subject to agreement, in particular regarding the purpose for which the information shall be used.

(b) Requests from other Regulators for passing on of confidential information shall be decided on a case-by-case basis by the Commissioner.

(c) Without prejudice to the foregoing, the Commissioner may pass on information where it will assist:

- (1) Other Regulators in the fulfillment of their supervisory functions; and
- (2) Governmental agencies, competent in the financial services field (including central banks), law enforcement agencies, and relevant courts in the performance of their duties.

365:25-7-85. Agreements for information exchange

(a) Agreements may be used to establish a framework between Regulators to facilitate the efficient execution of requests for or provision of information.

(b) Compliance with the strict confidentiality regime, set forth in Section ~~1657.1~~1640 of Title 36 of the Oklahoma Statutes and this Part, is a key prerequisite for the exchange of confidential information. Every agreement to exchange such information shall include a written confirmation statement in substantially the same terms as that found in the Written Confirmation Statement in Appendix BB of this Chapter, and the agreement shall be signed by an appropriate managerial representative of the Regulator.

365:25-7-86. Supervisory Colleges

(a) Information exchange is particularly important for the operation of a Supervisory College as provided by 36 O.S. § ~~1656.1~~1638. The effectiveness of a Supervisory College depends upon the mutual trust and confidence between participating Regulators, particularly in relation to exchange and protection of confidential information.

(b) In connection with the exchange of confidential information between the Commissioner and a Supervisory College, appropriate information exchange agreements must be in place prior to exchange of such information.

(c) Where confidential information exchanged within a Supervisory College is also communicated to other Regulators, there shall be a formal mechanism in place with these Regulators to ensure the protection of the confidential information.

(d) The Commissioner shall inform any other Regulator in its jurisdiction and the Regulators of insurance group entities in other jurisdictions in advance of taking any action that might reasonably be considered to affect those group entities. Where prior notification is not possible, the Commissioner shall inform other relevant Regulators as soon as possible after taking action.

(e) The Commissioner shall proactively exchange material and relevant information with other Regulators. Relevant proactively provided information includes but is not limited to:

- (1) Any information the Commissioner considers will facilitate the effective supervision of groups or entities in the group;
- (2) Any event or series of events that may have a significant bearing on the operations of group entities operating in the jurisdictions of other Regulators;
- (3) Information that may affect the financial system of another jurisdiction;
- (4) Information that may affect the financial condition or other interests of the policyholders of a group entity in another jurisdiction; and
- (5) Prior notification to another Regulator of any action to be undertaken which relies on information received from that Regulator, subject to requirements applicable to criminal statutes and other similar laws.

(f) In deciding whether and to what extent to fulfill a request by another Regulator for information, the Commissioner may take into account matters such as, but not limited to:

- (1) Whether it would be contrary to the essential interest of Oklahoma;

- (2) The existence of a requisite written agreement between the Commissioner and the requesting Regulator to maintain the confidentiality of any information exchanged;
 - (3) The nature of the information to be exchanged;
 - (4) The use to which the information will be put.
- (g) Requests for information shall be made in writing.
- (h) When exchanging relevant information and in responding to requests from Regulators seeking information, the Commissioner shall respond in a timely and comprehensive manner. Strict reciprocity in terms of the level, format and detailed characteristics of information exchanged shall not be required by the Commissioner. The originating Regulator may attach conditions to the subsequent exchange of the information to other Regulators. Conditions imposed by the originating Regulator on the exchange of information should not prevent the receiving Regulator from being able to use the information for its own purposes
- (i) Before exchanging confidential information, the Commissioner shall ensure that the party receiving the information is bound by confidentiality requirements.
- (j) The Commissioner shall generally permit the information that he or she exchanges with another Regulator to be passed on to other relevant Regulators, provided the necessary confidentiality requirements are in place.
- (k) When the Commissioner receives confidential information from another Regulator, the information shall only be used for the purposes specified when the information was requested. Before using such information for another purpose, including exchanging it with other parties, the Commissioner shall obtain the agreement of the originating Regulator.
- (l) In the event that the Commissioner is legally compelled to disclose confidential information received from another Regulator, the Commissioner shall promptly notify the originating Regulator, indicating what information he or she is being compelled to release and the circumstances surrounding the release. Where consent to passing this information on is not given, the Commissioner shall use all reasonable means to resist the demand and to protect the confidentiality of the information.

SUBCHAPTER 15. CAPTIVE INSURANCE COMPANIES REGULATION

365:25-15-2. Annual reporting requirements

- (a) Except as provided in 36 O.S. § 6470.11, a captive insurance company doing business in this State shall annually, prior to March 1, submit to the Insurance Commissioner a report of its financial condition, verified by oath of two of its executive officers. The report shall be that prescribed by the Insurance Commissioner as "Oklahoma Captive Insurance Company Annual Report."
- (b) A company that elects to file its annual report on a fiscal year basis pursuant to 36 O.S. § 6470.11(C), shall file such report no later than 60 days following the close of such fiscal year.
- (c) A company that elects to file its annual report on a fiscal year basis shall submit, concurrently with each premium tax return required in connection with premium taxes due under 36 O.S. § 6470.19 pages 1 through 7 of the "Captive Annual Statement: Pure or Industrial Insured," verified by oath of two of its executive officers.
- (d) In order to verify results reported in the company's annual report, each company shall cause its books and records to be audited annually by an independent certified public accounting firm approved in accordance with Section 4 of this Subchapter.

(e) In order to further verify results reported in the company's annual report each company shall cause to be prepared an actuarial opinion by a qualified actuary certifying the accuracy of the company's life, health, or annuity insurance reserves, or its loss reserves and loss expense reserves, as reported in the annual report. "Qualified actuary" means an individual who is a member of the American Academy of Actuaries or the Casualty Actuarial Society and who has met the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinions in the United States ~~promulgated by the American Academy of Actuaries.~~

(f) A risk retention group doing business in this State shall annually submit to the Insurance Commissioner a report of its financial condition, verified by oath of two of its executive officers. The report shall be that required by Section 311 of Title 36 of the Oklahoma Statutes.

SUBCHAPTER 29. PHARMACY BENEFITS MANAGERS

365:25-29-6. Surety bond

(a) Prior to the issuance of a pharmacy benefits manager license, the PBM applicant shall file with the Commissioner and thereafter keep in effect, as long as the license remains in effect, a surety bond in an amount determined to be sufficient by the Commissioner. The bond shall be in a form acceptable to the Commissioner and for the purpose of securing conformity with the laws and regulations governing pharmacy benefits managers. The bond shall be for the benefit of parties protected by the provisions of 59 O.S. §§ 357-360.

(b) The surety bond must provide that no party may cancel the bond without first giving thirty (30) days written notice to the principal and the Commissioner.

(c) Absent a finding otherwise, a bond ~~with limits of One Million Dollars (\$1,000,000.00) per occurrence and Five Million Dollars (\$5,000,000.00), annual aggregate,~~ shall be deemed to be sufficient if it meets the following requirements:

(1) For a PBM with not more than five thousand (5,000) annual Oklahoma covered lives, the bond shall have a minimum penal sum of fifty thousand dollars (\$50,000.00);

(2) For a PBM with more than five thousand (5,000) but not more than ten thousand (10,000) annual Oklahoma covered lives, the bond shall have a minimum penal sum of one hundred thousand dollars (\$100,000.00);

(3) For a PBM with more than ten thousand (10,000) but not more than twenty-five thousand (25,000) annual Oklahoma covered lives, the bond shall have a minimum penal sum of two hundred fifty thousand dollars (\$250,000.00);

(4) For a PBM with more than twenty-five thousand (25,000) but not more than fifty thousand (50,000) annual Oklahoma covered lives, the bond shall have a minimum penal sum of five hundred thousand dollars (\$500,000.00);

(5) For a PBM with more than fifty thousand (50,000) but not more than one hundred thousand (100,000) annual Oklahoma covered lives, the bond shall have a minimum penal sum of seven hundred fifty thousand dollars (\$750,000.00); and

(6) For a PBM with more than one hundred thousand (100,000) annual Oklahoma covered lives, the bond shall have a minimum penal sum of one million dollars (\$1,000,000.00).

365:25-29-9. Contractual requirements—maximum allowable cost

(a) ~~Regarding maximum allowable cost, contracts~~ Contracts between a PBM and a provider shall conform to the following requirements:

- (1) Identify sources of information utilized by the PBM to create and modify the PBM's maximum allowable cost price specific to the pharmacy;
 - (2) The PBM shall provide an electronic process, including but not limited to e-mail, for providers to readily access the MAC list specific to that provider. Upon a provider's written request, a PBM shall furnish its MAC list to the provider in paper form or other agreed format;
 - (3) If a provider is unable to obtain a drug from a regional or national wholesaler at a price equal to or less than the PBM's MAC reimbursement, the PBM shall provide a reasonable appeals procedure;
 - (4) A "reasonable appeals procedure" means a process which permits a provider or a provider's representative to contest a reimbursement amount based on the provider's contention that the drug is not generally available for purchase by pharmacies in the state at or below the PBM's Maximum Allowable Cost reimbursement;
 - (5) A provider's appeal shall contain information including but not limited to the date of claim, National Drug Code number, and the identity of the national or regional wholesalers from which the drug was found to be unavailable for purchase by the provider, at or below the PBM's Maximum Allowable Cost reimbursement;
 - (6) Appeals filed under this subsection shall be presented to the PBM within ten (10) business days following the prescription claim final adjusted payment date. The PBM must respond to a provider within ten (10) business days following the receipt by the PBM of the notice that the provider is contesting the reimbursement amount;
 - (7) If a provider's appeal is denied, the PBM shall provide the reason for the denial, including the National Drug Code number and the identity of the national or regional wholesalers from whom the drug was generally available for purchase by providers in the state at or below the PBM's Maximum Allowable Cost reimbursement;
 - (8) If a provider's appeal is found to be justified, the PBM shall make ~~the correction to its MAC~~ a change in the reimbursement amount, permit the provider to reverse and re-bill the claim in question, and make the ~~MAC correction~~ reimbursement amount change applicable prospectively for all similarly contracted Oklahoma providers.
- (b) A PBM shall permit the submission of either paper or electronic documentation to perfect an appeal. A PBM shall not require the submission of appeals on an individual claim (non-batch) basis or refuse to accept appeals from a provider's designated representative or require procedures that have the effect of obstructing or delaying the appeal process. All MAC reimbursement appeals shall be properly documented.
- (c) Before beginning business, and as contracts are amended thereafter, each PBM shall submit to the Insurance Commissioner a certificate signed by an executive officer of the PBM attesting that the Oklahoma provider contracts utilized by such PBM satisfy the requirements of 59 O.S. § 360 and this Subchapter.

**APPENDIX A. FORM A: OKLAHOMA INSURANCE
HOLDING COMPANY SYSTEM ACQUISITION STATEMENT
[REVOKED]**

**APPENDIX A. FORM A: OKLAHOMA INSURANCE
HOLDING COMPANY SYSTEM ACQUISITION STATEMENT
[NEW]**

FORM A

**OKLAHOMA INSURANCE HOLDING COMPANY
SYSTEM ACQUISITION STATEMENT**

**STATEMENT REGARDING THE
ACQUISITION OF CONTROL OF OR MERGER WITH A
DOMESTIC INSURER**

Name of Domestic Insurer

by

Name of Acquiring Person (Applicant)

FILED WITH

**THE INSURANCE COMMISSIONER
FOR THE STATE OF OKLAHOMA**

Dated: _____, 20____

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

ITEM 1. Insurer and Method of Acquisition

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

ITEM 2. Identity and Background of the Applicant

- (a) State the name and address of the applicant seeking to acquire control over the insurer.
- (b) If the applicant is not an individual, state the nature of its business operation for the past five years or for such lesser period as such person and any predecessors thereof shall have been in existence. State whether or not the applicant has ever been convicted of any felony or of a misdemeanor involving moral turpitude, dishonesty, or breach of trust, during its existence, and any administrative discipline imposed on the applicant during the past ten (10) years and, if so, give the date, nature of conviction or administrative order, name and location of court or administrative agency or board, and penalty imposed or other disposition of the case. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.
- (c) Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. No affiliate need be identified if its total assets are equal to less than 1/2 of 1% of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained, other than by the ownership or control of voting securities, indicate the basis for such control. As to each person specified in such chart or listing, indicate the type of organization (e.g. corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings looking toward a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

ITEM 3. Identity and Background of Individuals Associated with the Applicant

State the following with respect to (1) the applicant if (s)he is an individual or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual:

- (a) Name and business address;
- (b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;
- (c) Material occupations, positions, offices or employments during the last five years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith;
- (d) Whether or not such person has ever been convicted of any felony or of a misdemeanor involving moral turpitude, dishonesty, or breach of trust, during his or her lifetime, and if so, the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.
- (e) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) or any administrative discipline during the last ten years and, if so, give the date, nature of conviction or administrative order, name and location of court or administrative agency or board, and penalty imposed or other disposition of the case.

ITEM 4. Nature, source and amount of consideration

- (a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.
- (b) Explain the criteria used in determining the nature and amount of such consideration.
- (c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity to remain confidential, he must specifically request that the identity be kept confidential.

ITEM 5. Future plans for insurer

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate such insurer, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

ITEM 6. Voting securities to be acquired

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

ITEM 7. Ownership of voting securities

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

ITEM 8. Contracts, arrangements or understandings with respect to voting securities of the insurer

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into.

ITEM 9. Recent purchases of voting securities

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 in the 12 calendar months preceding the filing of this Statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any such shares so purchased are hypothecated.

ITEM 10. Recent recommendations to purchase

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement.

ITEM 11. Agreements with broker-dealers

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

ITEM 12. Financial statements and exhibits

- (a) Financial statements and exhibits shall be attached to this Statement as an appendix, but list under this item the financial statements and exhibits so attached.
- (b) The financial statements shall include the annual financial statements of the persons identified in Item 2 for the preceding five fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if such information is available. Such statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of such person filed with the insurance department of the person's domiciliary State and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

- (c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto; any proposed employment, consultation, advisory or management contracts concerning the insurer; annual reports to the stockholders of the insurer and the applicant for the last two fiscal years; and any additional documents or papers required by Form A or regulation sections 365:25-7-23 and 365:25-7-25.

ITEM 13. Signature and certification

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Section 1633 of the Act _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the ____ day of _____, 20____.

(SEAL) _____
Name of Applicant

BY _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached application dated _____, 20____, for and on behalf of _____; and that _____ (Name of Applicant) (s)he is the _____ of such company and that (s)he is authorized _____ (Title of Officer) to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____