



OKLAHOMA INSURANCE DEPARTMENT
STATE OF OKLAHOMA

BULLETIN NO. LH 2010-03

TO: ALL LIFE AND HEALTH INSURERS
Attention: State Filing Division

RE: OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY
ASSOCIATION DISCLOSURE NOTICE

FROM: OKLAHOMA INSURANCE DEPARTMENT

DATE: AUGUST 16, 2010

In 2010, Oklahoma enacted legislation (SB2043) which made significant changes to Oklahoma's Life and Health Insurance Guaranty Association Act, 36 O.S. §§ 2021 through 2043. Insurers are encouraged to carefully review these amendments, which are effective November 1, 2010.

One significant amendment is a change to the benefit amounts available through the Oklahoma Life and Health Insurance Guaranty Association (OKLHIGA). Benefit amounts applicable to life insurance policies are unchanged. Benefits amounts applicable to health insurance policies are changed to the tiered structure set out below.

(a) One Hundred Thousand Dollars (\$100,000.00) for coverages not defined as disability insurance or basic hospital, medical and surgical insurance or major medical insurance or long-term care insurance, including any net cash surrender and net cash withdrawal values,

(b) Three Hundred Thousand Dollars (\$300,000.00) for insurance providing income payments to an insured wage earner when income is interrupted or terminated because of illness, sickness or accident, commonly known as disability insurance and for long-term care insurance, and

(c) Five Hundred Thousand Dollars (\$500,000.00) for basic hospital, medical and surgical insurance or insurance providing coverage in excess of that provided by a basic hospital, medical and surgical insurance, commonly known as major medical insurance.

The requirement that a disclosure document describing the coverage provided by the Act must be provided when any life or health insurance policy or certificate is delivered remains unchanged. Attached is a copy of the new coverage disclosure document, which must be provided with all policies beginning on November 1, 2010.

Note that the existing disclosure rule, OAC 365:10-1-6, "Oklahoma Life and Health Insurance Guaranty Association disclaimer requirements" will be amended during the 2011 Permanent

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Rulemaking process to reflect this new disclosure document. Compliance with the provisions of this Bulletin will not be considered a violation of that rule.

Questions or comments applicable to this bulletin should be directed to Susan Dobbins, Assistant General Counsel, Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th, Suite 100, Oklahoma City, OK 73112, susan.dobbins@oid.ok.gov.

The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department's web site <http://www.ok.gov/oid/> for news and updates to Bulletins and other relevant material.

**NOTICE OF
PROTECTION PROVIDED BY
OKLAHOMA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

This notice provides a brief summary of the Oklahoma Life and Health Insurance Guaranty Association (“the Association”) and the protection it provides for policyholders. This safety net was created under Oklahoma law, which determines who and what is covered and the amounts of coverage. The Association was established to provide protection in the unlikely event that your life, annuity or health insurance company becomes financially unable to meet its obligations and is taken over by its Insurance Department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Oklahoma law, with funding from assessments paid by other insurance companies.

The basic protections provided by the Association are:

- Life Insurance
 - \$300,000 in death benefits
 - \$100,000 in cash surrender or withdrawal values
- Health Insurance
 - \$500,000 in hospital, medical and surgical insurance benefits
 - \$300,000 in disability income insurance benefits
 - \$300,000 in long-term care insurance benefits
 - \$100,000 in other types of health insurance benefits
- Annuities
 - \$300,000 in withdrawal and cash values

The maximum amount of protection for each individual, regardless of the number of policies or contracts, is \$300,000, except that with regard to hospital, medical and surgical insurance benefits, the maximum amount that will be paid is \$500,000.

Note: Certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Oklahoma law.

To learn more about the above protections, please visit the Association’s website at www.oklifega.org, or contact:

Oklahoma Life & Health Insurance Guaranty Association
201 Robert S. Kerr, Suite 600
Oklahoma City, OK 73102
Phone: (405) 272-9221

Oklahoma Department of Insurance
3625 NW 56th Street, Suite 100
Oklahoma City, OK 73112
1-800-522-0071 or (405) 521-2828

Insurance companies and agents are not allowed by Oklahoma law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and Oklahoma law, then Oklahoma law will control.
