

TITLE 365. INSURANCE DEPARTMENT

CHAPTER 10. LIFE, ACCIDENT AND HEALTH

SUBCHAPTER 13. INDUSTRIAL INSURANCE: SETTLEMENT OF CLAIMS - PAYMENT BY CASH PROHIBITED

365:10-13-1. Purpose

The purpose of this subchapter is to set forth rules regarding payment of claims by insurers employing route agents for collection of premiums and to set forth rules requiring maintenance of a policyholder's premium payment book.

365:10-13-2. Settlement of industrial insurance claims

(a) **Payment of claims by check or draft.** Every industrial insurer transacting business within this state and employing route agents for collections of premiums, payment of policy claims benefits and/or other servicing of its policies of insurance held by residents of this state shall, within forty five (45) days next succeeding the effective date of this section, establish and maintain a procedure whereby all claims for policy benefits are, upon approval thereof, paid to the parties in interest by company check or draft, which checks or drafts shall in every case set out the policy benefits for payment of which such check or draft is issued.

(b) **Payments of policyholder acknowledged by official company receipt.** No industrial insurer, its agents, employees or supervisors shall receive any advance or other payment of premium payment of policy loan, or other form of payment from a policyholder or for a policyholder's benefit without issuing therefor an official company receipt acknowledging such payment to the payor or duly noting the fact of such payment in the policyholder's premium payment book. The "policyholder's premium payment book" shall be construed to mean, for the purpose of this section, the official premium payment record which is retained in the custody of the policyholder.

(c) **Penalties for noncompliance.** Any insurer who fails to comply with the requirements of this subchapter be subject to the penalties provided for by law, including, but not by way of limitation, the suspension or revocation of its certificate of authority to transact business in the State of Oklahoma.

(d) **Acknowledgment of receipt of rule.** Receipt of this section shall be acknowledged by one of the executive officers of the companies concerned.