

OKLAHOMA INSURANCE DEPARTMENT

2018 STATUTE & RULE CHANGES

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OKLAHOMA INSURANCE DEPARTMENT OMNIBUS REQUEST

SB 1485

Effective November 1, 2018

Surplus lines insurance companies “approved” – 36 O.S. § 321(B)

- Clarifies that surplus lines insurance companies are not “licensed to do business in this state,” but instead are “**approved** to do business in this state.”

Typo fix – 36 O.S. § 1106(2)

- An Oklahoma surplus lines license is required only where Oklahoma is the home state of the **insured**.
 - Previous law said that a license is required where Oklahoma is the home state of the “insurer,” which was an incorrect typo.

Reference Clarification – 36 O.S. § 1441.1

- This section is amended to correct an outdated reference to a repealed section of Title 85 of the Oklahoma Statutes. The correct reference is to Section 103 of Title 85A.

Response requirements for regulated persons – 36 O.S. § 1250.4(B)

- **Any person subject to the jurisdiction of the Commissioner** must respond to an inquiry from the Commissioner within 30 days.
 - Previous law required a timely response only from “[e]very agent, adjuster, administrator, insurance company representative, or insurer . . .”

Investments in any one person – 36 O.S. § 1605

- The percentage limit on insurance company investments in any one person applies to an insurer’s admitted assets rather than all assets.

Motor service club name changes – 36 O.S. § 3102(C)

- A motor service club may change its name by submitting its request electronically on a form prescribed by the Commissioner.

Property and casualty insurers timely response to claims – 36 O.S. § 1250.7(A)

- A P&C insurer must advise a first party claimant of the acceptance or denial of a claim, or advise whether further investigation is necessary, **within 60 days** of the insurer’s receipt of properly executed proofs of loss.
 - Previous requirement was 45 days.

All insurers timely response to claims – 36 O.S. § 3629(B)

- All insurers must submit a written offer of settlement or rejection of a claim to an insured **within 60 days** of receipt of that proof of loss.
 - Previous requirement was 90 days.

Clarity regarding actuarial determination of endowed prepayment amounts for not-for-profit life care communities – 36 O.S. § 4424(5)

- The amount of the endowed prepayment must be actuarially determined in compliance with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries.

“Qualified actuary” definition – 36 O.S. § 6543(11)

- For purposes of the Oklahoma Risk Retention Act, “[q]ualified actuary’ means an individual who is a member of the American Academy of Actuaries 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.”

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Captive insurance company actuarial opinions – 36 O.S. § 6470.12(B)

- An individual who prepares a Statement of Actuarial opinion for a captive must be independent of the captive and its affiliates.
-

LIFE & HEALTH

SB 1050 – Oklahoma Life, Accident and Health Insurance Broker Act Repealed Effective November 1, 2018

36 O.S. § 1435.2(7)

- The term “insurance agent” means an insurance producer properly appointed by an insurance carrier to act as an agent for that insurance carrier, pursuant to 36 O.S. § 1435.15.
- Under the previous version of this section, “insurance agent” had the same meaning as “insurance producer.”

§§ 1461, 1462, 1463, 1464, 1465, and 1466

- The Oklahoma Life, Accident and Health Insurance Broker Act is repealed in its entirety.
-

SB 1103 – Coverage for Mammograms

Effective November 1, 2018

36 O.S. § 6060

- Existing law requires health benefit plans to provide coverage of mammography screening for the presence of occult breast cancer.
 - This bill updates the existing coverage mandate to include “low-dose mammography.”
 - “Low-dose mammography” means:
 - the x-ray examination of the breast using equipment specifically dedicated for such purpose, with an average radiation exposure delivery of less than one rad mid-breast and with two views for each breast,
 - digital mammography, or
 - breast tomosynthesis.
 - “Breast tomosynthesis” means a radiologic mammography procedure involving the acquisition of projection images over a stationary breast to produce cross-sectional digital three-dimensional images of the breast from which breast cancer screening diagnoses may be made.
-

SB 1162 – Prohibition on Individual Market Stabilization Program Assessments

Effective **August 2, 2018**

36 O.S. §§ 6530.5 and 6530.6

- The Board of Directors of the Oklahoma Individual Market Stabilization Program is expressly prohibited from levying and collecting any assessments to fund the Program.
- The Board may apply for and utilize federal funding for a reinsurance program.

36 O.S. §§ 6530.7 and 6530.8

- These sections relating to assessments by the Board are repealed.
-

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SB 1446 - Opioid Prescription Reform Report

Effective November 1, 2018

New section not codified (SB 1446, Section 6)

- The Insurance Department shall evaluate the effect of the limits on prescriptions for opioid medication established in SB 1446 on the claims paid by health insurance carriers and the out-of-pocket costs including copayments, coinsurance, and deductibles paid by individual and group health insurance policyholders.
- Before January 1, 2020, the Insurance Department shall provide a report on the evaluation, along with any recommended policy and regulatory options that will ensure costs for patients are not increased as a result of the new limitations on opioid prescriptions, to the standing committees of the Legislature having jurisdiction over health and human services matters and over insurance and financial services matters.
- The Insurance Commissioner may adopt reasonable rules and regulations for the implementation and administration of these requirements.

PROPERTY & CASUALTY

SB 1156 - Travel Insurance Act

Effective November 1, 2018

36 O.S. § 1435.20

- Details regarding travel insurance in existing law are deleted because those details are incorporated into the new law in this bill.

36 O.S. § 6710

- This act is known and may be cited as the “Travel Insurance Act.”

36 O.S. § 6711 - Scope

- The requirements of the act apply to travel insurance where policies and certificates are delivered or issued for delivery in Oklahoma. The act does not apply to cancellation fee waivers and travel assistance services, except as expressly provided in the act.
- All other applicable provisions of Oklahoma’s insurance laws continue to apply to travel insurance, but specific provisions of this act supersede any other general provisions of law that would be applicable.

36 O.S. § 6712 - Definitions

- “Aggregator site” means a website that provides access to information regarding insurance products from more than one insurer, including product and insurer information, for us in comparison shopping.
- “Blanket travel insurance” means a policy of travel insurance issued to any eligible group providing coverage for specific classes of persons defined in the policy, with coverage provided to all members of the eligible group without a separate charge to individual members of the eligible group.
- “Cancellation fee waiver” means a contractual agreement between a supplier of travel services and its customer to waive some or all of the nonrefundable cancellation fee provisions of the supplier’s underlying travel contract, with or without regard to the reason for the cancellation or form of reimbursement. A cancellation fee waiver is not insurance.
- “Eligible group” means, solely for the purpose of travel insurance, two or more persons who are engaged in a common enterprise, or have an economic, educational, or social affinity or relationship, including, but not limited to, any of the following:

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- any entity engaged in the business of providing travel or travel services, including, but not limited to, tour operators, lodging providers, vacation property owners, hotels and resorts, travel clubs, travel agencies, property managers, cultural exchange programs and common carriers or the operator, owner or lessor of a means of transportation of passengers, including, but not limited to, airlines, cruise lines, railroads, steamship companies and public bus carriers, wherein with regard to any particular travel or type of travel or travelers, all members or customers of the group must have a common exposure to risk attendant to such travel,
 - any college, school or other institution of learning covering students, teachers, employees or volunteers,
 - any employer covering any group of employees, volunteers, contractors, board of directors, dependents or guests,
 - any sports team, camp or sponsor thereof covering participants, members, campers, employees, officials, supervisors or volunteers,
 - any religious, charitable, recreational, educational or civic organization or branch thereof covering any group of members, participants or volunteers,
 - any financial institution or financial institution vendor, or parent holding company, trustee or agent of or designated by one or more financial institutions or financial institution vendors, including accountholders, credit card holders, debtors, guarantors or purchasers,
 - any incorporated or unincorporated association, including labor unions, having a common interest, constitution and bylaws and organized and maintained in good faith for purposes other than obtaining insurance for members or participants of such association covering its members,
 - any trust or the trustees of a fund established, created or maintained for the benefit of and covering members, employees or customers, subject to the Commissioner authorizing the use of a trust and the premium tax provisions in Section 6 of this act of one or more associations meeting the above requirements of this paragraph,
 - any entertainment production company covering any group of participants, volunteers, audience members, contestants or workers,
 - any volunteer fire department, ambulance, rescue, police, court or any first aid, civil defense or other such volunteer group,
 - preschools, daycare institutions for children or adults and senior citizen clubs,
 - any automobile or truck rental or leasing company covering a group of individuals who may become renters, lessees or passengers defined by their travel status on the rented or leased vehicles. The common carrier, the operator, owner or lessor of a means of transportation or the automobile or truck rental or leasing company is the policyholder under a policy to which this paragraph applies, or
 - any other group where the Commissioner has determined that the members are engaged in a common enterprise, or have an economic, educational or social affinity or relationship, and that issuance of the policy would not be contrary to the public interest;
- “Fulfillment materials” means documentation sent to the purchaser of a travel protection plan confirming the purchase and providing the coverage and assistance details of the travel protection plan.
 - “Group travel insurance” means travel insurance issued any eligible group.
 - “Limited lines travel insurance producer” means any of the following:
 - licensed managing general agent or third-party administrator,
 - licensed insurance producer, including a limited lines producer, or

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- travel administrator.
- “Offer and disseminate” means providing general information, including a description of the coverage and price, as well as processing the application and collecting premiums.
- “Travel administrator” means a person who directly or indirectly underwrites, collects charges, collateral or premiums from or adjusts or settles claims on residents of this state, in connection with travel insurance, except that a person shall not be considered a travel administrator if the only actions of the person are those that would otherwise cause the person to be considered a travel administrator are among the following:
 - a person working for a travel administrator whose activities are subject to the supervision and control of the travel administrator,
 - an insurance producer selling insurance or engaged in administrative and claims-related activities within the scope of the license of the producer,
 - a travel retailer offering and disseminating travel insurance and registered under the license of a limited lines travel insurance producer in accordance with this act,
 - an individual adjusting or settling claims in the normal course of practice or employment of the individual as an attorney-at-law and who does not collect charges or premiums in connection with insurance coverage, or
 - a business entity that is affiliated with a licensed insurer while acting as a travel administrator for the direct and assumed insurance business of an affiliated insurer;
- “Travel assistance services” means noninsurance services that may be distributed by limited lines travel insurance producers or other entities, and for which there is no indemnification for the travel protection plan customer based on a fortuitous event, nor any transfer or shifting of risk that would constitute the business of insurance. Travel assistance services include, but are not limited to: security advisories; destination information; vaccination and immunization information services; travel reservation services; entertainment; activity and event planning; translation assistance; emergency messaging; international legal and medical referrals; medical case monitoring; coordination of transportation arrangements; emergency cash transfer assistance; medical prescription replacement assistance; passport and travel document replacement assistance; lost luggage assistance; concierge services; and any other service that is furnished in connection with planned travel that is not related to the adjudication of a travel insurance claim, unless otherwise approved by the Commissioner in a travel insurance filing. Travel assistance services are not insurance and not related to insurance;
- “Travel insurance” means insurance coverage for personal risks incident to planned travel, including:
 - interruption or cancellation of trip or event,
 - loss of baggage or personal effects,
 - damages to accommodations or rental vehicles,
 - sickness, accident, disability or death occurring during travel,
 - emergency evacuation,
 - repatriation of remains, or
 - any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the Commissioner.
- Travel insurance does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting longer than six (6) months, including, but not limited to, those working or residing overseas as an expatriate, or any other product that requires a specific insurance producer license;

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- “Travel protection plans” means plans that provide one or more of the following: travel insurance, travel assistance services and cancellation fee waivers;
- “Travel retailer” means a business entity that makes, arranges or offers planned travel and may offer and disseminate travel insurance as a service to its customers on behalf of and under the direction of a limited lines travel insurance producer.

36 O.S. § 6713

- The Commissioner may issue a limited lines travel insurance producer license to an individual or entity that has filed an application in a form and manner prescribed by the Commissioner.
- The limited lines travel insurance producer shall be licensed to sell, solicit, or negotiate travel insurance through a licensed insurer.
- A travel retailer may offer and disseminate travel insurance under a limited lines travel insurance producer business entity license only if:
 - The limited lines travel insurance producer or travel retailer provides to purchasers of travel insurance:
 - a description of the material terms or the actual material terms of the insurance coverage,
 - a description of the process for filing a claim,
 - a description of the review or cancellation process for the travel insurance policy, and
 - the identity and contact information of the insurer and limited lines travel insurance producer.
 - At the time of licensure, the limited lines travel insurance producer shall establish and maintain a register on a form prescribed by the Commissioner of each travel retailer that offers travel insurance on its behalf. The register:
 - shall be maintained and updated by the limited lines travel insurance producer and shall include the name, address and contact information of the travel retailer and an officer or person who directs or controls the operations of the travel retailer and the federal tax identification number of the travel retailer.
 - shall be submitted to the Insurance Department upon reasonable request.
 - The limited lines travel insurance producer shall certify that the registered travel retailer complies with 18 U.S.C. § 1033.
 - The grounds for the suspension, revocation, and penalties applicable to resident insurance producers, pursuant to 36 O.S. § 1435.13, shall be applicable to the limited lines travel insurance producers and travel retailers.
 - The limited lines travel insurance producer has designated one of its employees who is a licensed individual producer as the “designated responsible producer” (DRP) responsible for the compliance with the travel insurance laws and regulations applicable to the limited lines travel insurance producer and its registrants.
 - The DRP, president, secretary, treasurer and any other officer or person who directs or controls the limited lines travel insurance producer’s insurance operations comply with the fingerprinting requirements applicable to insurance producers in the resident state of the limited lines travel insurance producer.
 - The limited lines travel insurance producer has paid all applicable insurance producer licensing fees as set forth in 36 O.S. § 1435.23.
 - The limited lines travel insurance producer requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which is subject to the discretion of the Commissioner to review and approve.

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The training material shall, at a minimum, contain adequate instructions on the types of insurance offered, ethical sales practices and required disclosures to prospective customers.

- Any travel retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that have been approved by the travel insurer. Such materials shall include information which, at a minimum:
 - Provides the identity and contact information of the insurer and the limited lines travel insurance producer;
 - Explains that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer; and
 - Explains that an unlicensed travel retailer is permitted to provide only general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.
- A travel retailer employee or authorized representative who is not licensed as an insurance producer may not:
 - Evaluate or interpret the technical terms, benefits and conditions of the offered travel insurance coverage;
 - Evaluate or provide advice concerning existing insurance coverage for a prospective purchaser; or
 - Hold himself, herself or itself out as a licensed insurer, licensed producer or insurance expert.
- Notwithstanding any other provision in law, a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a limited lines travel insurance producer meeting the conditions stated in this act, is authorized to receive related compensation, upon registration by the limited lines travel insurance producer as described in paragraph 36 O.S. § 6713(B)(2).
- As the insurer designee, the limited lines travel insurance producer is responsible for the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel retailer with this act.

36 O.S. § 6714 – Premium taxes

- A travel insurer shall pay premium tax on travel insurance premiums paid by any of the following
 - An individual primary policyholder who is a resident of Oklahoma;
 - A primary certificate-holder who is a resident of Oklahoma who elects coverage under a group travel insurance policy; or
 - A blanket travel insurance policyholder that is a resident, or has its principal place of business or the principal place of business of an affiliate or subsidiary that has purchased blanket travel insurance in Oklahoma for eligible blanket group members, subject to any apportionment rules which apply to the insurer across multiple taxing jurisdictions or that permits the insurer to allocate premium on an apportioned basis in a reasonable and equitable manner in those jurisdictions.
- A travel insurer shall:
 - Document the state of residence or principal place of business of the policyholder or certificate-holder; and
 - Report as premium only the amount allocable to travel insurance and not any amounts received for travel assistance services or cancellation fee waivers.

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36 O.S. § 6715

- Travel protection plans may be offered for one price for a combination of features if:
 - The travel protection plan clearly discloses to the consumer at, or prior to, the time of purchase that it includes travel insurance, travel assistance services, and cancellation fee waivers, and provides information and an opportunity at, or prior to, the time of purchase for the consumer to obtain additional information regarding the features and pricing of each; and
 - The fulfillment materials:
 - describe and delineate the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan, and
 - include the applicable travel insurance disclosures and the contact information for persons providing travel assistance services and cancellation fee waivers.

36 O.S. § 6716

- Anyone offering travel insurance in Oklahoma is subject to the Unfair Trade Practices Act (36 O.S. §§ 1201-1219), except as otherwise provided in this section. In the event of a conflict between the Travel Insurance Act and other provisions of Title 36 regarding the sale and marketing of travel insurance and travel protection plans, the provisions of the Travel Insurance Act shall control.
- Offering or selling a travel insurance policy that could never result in payment of any claims for any insured under the policy is an unfair trade practice under 36 O.S. § 1203.
- Marketing.
 - All documents provided to consumers prior to the purchase of travel insurance, including, but not limited to, sales materials, advertising materials and marketing materials, shall be consistent with all travel insurance policy documents, including, but not limited to, forms, endorsements, policies, rate filings and certificates of insurance.
 - Travel insurance policies or certificates that contain pre-existing condition exclusions must clearly disclose the exclusion in the fulfillment materials of the coverage.
 - Policyholders or certificate holders shall have a minimum of ten (10) days from the later of the date of purchase of a travel protection plan or the delivery of the fulfillment materials of the plan to review and cancel the policy or certificate for a full refund of the travel protection plan price, unless the insured has either started the covered trip or has filed a claim under the travel insurance coverage. For the purposes of this paragraph, sending documentation confirming the purchase and providing the coverage and assistance details of the travel protection plan, as applicable, to a physical or electronic mail address provided by the purchaser of a travel protection plan shall constitute delivery of the travel protection plan's fulfillment materials.
 - The company shall disclose in the policy fulfillment and documentation whether the travel insurance is primary or secondary to other applicable coverage.
 - Where travel insurance is marketed directly to a consumer through a website of the insurer or by others through an aggregator site, it shall not be an unfair trade practice or other violation of law where an accurate summary or short description of coverage is provided on the web page, so long as the consumer has access to the full provisions of the policy through electronic means.
- Unless otherwise permitted by state or federal law, no person offering travel insurance or travel protection plans on an individual or group basis may do so using negative

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option or opt-out, which would require a consumer to take an affirmative action to deselect coverage such as unchecking a box on an electronic form when they purchase a trip.

- It shall not be an unfair trade practice to include blanket travel insurance coverage with the purchase of a trip, provided the coverage is not marketed as free.

36 O.S. § 6717

- No person shall act or represent itself as a travel administrator in Oklahoma unless that person:
 - Is a licensed property producer in Oklahoma with an inland marine line of authority;
 - Holds a valid MGA license in Oklahoma; or
 - Holds a valid TPA license in Oklahoma.
- A travel administrator and its employees are exempt from the licensing requirements of the Insurance Adjuster Licensing Act (36 O.S. § 6201 et seq.).

36 O.S. § 6718

- Travel insurance may be provided under an individual policy or under a group or master policy.

36 O.S. § 6719

- The Commissioner may promulgate rules to implement the provisions of the Travel Insurance Act.

36 O.S. §§ 6680, 6681, 6682, 6683, 6684, and 6685

- These existing sections dealing with travel insurance are repealed. Many of the provisions are repeated in the new law.

REGULATORY COMPLIANCE / INSURER OPERATIONS

SB 606 - Company Redomestication & Provisional Captive Licenses

Effective **August 2, 2018**

36 O.S. § 606.1

- Expands the scope of insurance companies that can redomesticate to Oklahoma to include alien insurers in addition to foreign insurers.
 - New language: Any *foreign or alien* insurer organized in another *jurisdiction* may become a domestic insurer in Oklahoma.
 - Previous language: Any insurer organized in another *state* and licensed to do business in this state...

36 O.S. § 6470.3

- Removes 60 day limitation on provisional licenses for captive insurance companies.

36 O.S. § 6470.10

- Expands the scope of captive insurance companies that can redomesticate to Oklahoma to include captive insurance companies from alien jurisdictions in addition to foreign jurisdictions.
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SB 1101 – Insurance Business Transfer Act

Effective November 1, 2018

36 O.S. § 1682 - Purpose

- The act provides a basis and procedures for the transfer and statutory novation of policies from a transferring insurer to an assuming insurer by way of an Insurance Business Transfer without the affirmative consent of policyholders or reinsureds.
- The novation is effected by court order.
- The act establishes the requirements for notice and disclosure and standards and procedures for the approval of the transfer and novation by the Commissioner and the District Court of Oklahoma County pursuant to an Insurance Business Transfer Plan.
- The act does not limit or restrict other means of effecting a transfer or novation.

36 O.S. § 1683 – Definitions

- “Affiliate” has the same meaning as in 36 O.S. § 1631.
- “Applicant” means a transferring insurer or reinsurer applying under Section 6 of this act (36 O.S. § 1686).
- “Assuming insurer” means an insurer domiciled in Oklahoma that assumes or seeks to assume policies from a transferring insurer pursuant to this act.
 - An assuming insurer may be a captive insurance company.
- “Court” means the District Court of Oklahoma County, Oklahoma.
- “Department” means the Oklahoma Insurance Department.
- “Commissioner” means the Oklahoma Insurance Commissioner.
- “Implementation order” means an order issued by the Court under Section 6 of this act (36 O.S. § 1686).
- “Insurance Business Transfer” (IBT) means a transfer and novation in accordance with this act.
 - An IBT will transfer insurance obligations or risks, or both, of existing or in-force contracts of insurance or reinsurance from a transferring insurer to an assuming insurer.
 - Once approved, the IBT will effect a novation of the transferred contracts of insurance or reinsurance with the result that the assuming insurer becomes directly liable to the policyholders of the transferring insurer and the transferring insurer’s insurance obligations or risks, or both, under the contracts are extinguished.
- “Insurance Business Transfer Plan” or “Plan” means the plan submitted to the Department to accomplish the transfer and novation pursuant to an IBT, including any associated transfer of assets and rights from or on behalf of the transferring insurer to the assuming insurer.
- “Independent expert” (IE) means an impartial person who:
 - has no financial interest in either the assuming insurer or transferring insurer,
 - has not been employed by or acted as an officer, director, consultant or other independent contractor for either the assuming insurer or transferring insurer within the past twelve (12) months,
 - is not appointed by the Commissioner to assist in any capacity in any proceeding initiated pursuant to Title 36, Articles 18 or 19, and
 - is receiving no compensation in connection with the transaction other than a fee based on a fixed or hourly basis that is not contingent on the approval or

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consummation of an IBT and provides proof of insurance coverage that is satisfactory to the Commissioner.

- “Insurer” means an insurance or surety company, including a reinsurance company, and shall be deemed to include a corporation, company, partnership, association, society, order, individual or aggregation of individuals engaging in or proposing or attempting to engage in any kind of insurance or surety business, including the exchanging of reciprocal or inter-insurance contracts between individuals, partnerships and corporations.
- “Policy” means a policy, contract or certificate of insurance or a contract of reinsurance pursuant to which the insurer agrees to assume an obligation or risk, or both, of the policyholder or to make payments on behalf of, or to, the policyholder or its beneficiaries, and shall include property, casualty, life, health and any other line of insurance the Commissioner finds via regulation is suitable for an IBT.
- “Policyholder” means an insured or a reinsured under a policy that is part of the subject business.
- “Subject business” means the policy or policies that are the subject of the IBT Plan.
- “Transfer and novation” means the transfer of insurance obligations or risks, or both, of existing or in-force policies from a transferring insurer to an assuming insurer, and is intended to effect a novation of the transferred policies with the result that the assuming insurer becomes directly liable to the policyholders of the transferring insurer on the transferred policies and the transferring insurer’s insurance obligations or risks, or both, under the transferred policies are extinguished.
- “Transferring insurer” means an insurer or reinsurer that transfers and novates or seeks to transfer and novate obligations or risks, or both, under one or more policies to an assuming insurer pursuant to an IBT Plan.

36 O.S. § 1684 – District Court jurisdiction and venue

- The court considering applications brought under this act shall have the same jurisdiction as a court under Title 36, Article 19.
- Venue for all court proceedings under this act shall lie in the District Court of Oklahoma County, Oklahoma.
- The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this act. No provision of this act shall be construed to preclude the court from, on its own motion, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of power.

36 O.S. § 1685 - Notice

- Whenever notice is required to be given by the applicant under the act and except as otherwise permitted or directed by the court or the Commissioner, the applicant shall, within fifteen (15) days of the event triggering the requirement, cause transmittal of the notice:
 - By first-class mail, postage prepaid to the chief insurance regulator in each jurisdiction in which the applicant:
 - holds or has ever held a certificate of authority, and
 - in which policies that are part of the subject business were issued or policyholders currently reside;
 - By certified first-class mail, postage prepaid to the National Conference of Insurance Guaranty Funds, the National Organization of Life and Health

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Insurance Guaranty Associations and all state insurance guaranty associations for the states in which the applicant:

- holds or has ever held a certificate of authority, and
 - in which policies that are part of the subject business were issued or policyholders currently reside;
 - To reinsurers of the applicant pursuant to the notice provisions of the reinsurance agreements applicable to the policies that are part of the subject business, or where an agreement has no provision for notice, by internationally recognized delivery service;
 - By U.S. mail, first-class postage prepaid to all policyholders holding policies that are part of the subject business, at their last-known address as indicated by the records of the applicant or to the address to which premium notices or other policy documents are sent. A notice of transfer shall also be sent to the transferring insurer's agents or brokers of record on the subject business; and
 - By publication in a newspaper of general circulation in the state in which the applicant has its principal place of business and in such other publications that the Commissioner requires.
- If notice is given in accordance with this section, any orders under this act shall be conclusive with respect to all intended recipients of the notice, whether or not they receive actual notice.
 - Where this act requires that the applicant provide notice but the Commissioner has been named receiver of the applicant, the Commissioner shall provide the required notice.

36 O.S. § 1686 - Applications

- Application Procedure.
 - An IBT Plan must be filed by the applicant with the Commissioner for his or her review and approval. The Plan must contain the information set forth below or an explanation as to why the information is not included. The Plan may be supplemented by other information deemed necessary by the Commissioner:
 - the name, address and telephone number of the transferring insurer and the assuming insurer and their respective direct and indirect controlling persons, if any,
 - summary of the Plan,
 - identification and description of the subject business,
 - most recent audited financial statements and statutory annual and quarterly reports of the transferring insurer and assuming insurer filed with their domiciliary regulator,
 - the most recent actuarial report and opinion that quantify the liabilities associated with the subject business,
 - pro-forma financial statements showing the projected statutory balance sheet, results of operations and cash flows of the assuming insurer for the three (3) years following the proposed transfer and novation,
 - officers' certificates of the transferring insurer and the assuming insurer attesting that each has obtained all required internal approvals and authorizations regarding the Plan and completed all necessary and appropriate actions relating thereto,
 - proposal for Plan implementation and administration, including the form of notice to be provided under the Plan to any policyholder whose policy is part of the subject business,

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- full description as to how such notice shall be provided,
 - description of any reinsurance arrangements that would pass to the assuming insurer under the Insurance Business Transfer Plan,
 - description of any guarantees or additional reinsurance that will cover the subject business following the transfer and novation,
 - a statement describing the assuming insurer's proposed investment policies and any contemplated third-party claims management and administration arrangements,
 - evidence of approval or nonobjection of the transfer from the chief insurance regulator of the state of the transferring insurer's domicile, and
 - an opinion report from an independent expert (IE), selected by the Commissioner from a list of at least two nominees submitted jointly by the transferring insurer and the assuming insurer, to assist the Commissioner and the court in connection with their review of the proposed transaction. Should the Commissioner, in his or her sole discretion, reject the nominees, he or she may appoint the IE. The report shall provide the following:
 - a statement of the IE's professional qualifications and descriptions of the experience that qualifies him or her as an expert suitable for the engagement,
 - whether the IE has, or has had, direct or indirect interest in the transferring or assuming insurer or any of their respective affiliates,
 - the scope of the report,
 - a summary of the terms of the Plan to the extent relevant to the report,
 - documents, reports and other material information the IE has considered in preparing the report and whether any information requested was not provided,
 - the extent to which the independent expert has relied on information provided by and the judgment of others,
 - the people on whom the independent expert has relied and why, in his or her opinion, such reliance is reasonable,
 - the IE's opinion of the likely effects of the Plan on policyholders and claimants, distinguishing between:
 - transferring policyholders and claimants,
 - policyholders and claimants of the transferring insurer whose policies will not be transferred, and
 - policyholders and claimants of the assuming insurer,
 - for each opinion that the IE expresses in the report the facts and circumstances supporting the opinion, and
 - consideration as to whether the security position of policyholders that are affected by the IBT are materially adversely affected by the transfer.
- The IE's opinion report shall include, but not be limited to, a review of the following:
- analysis of the transferring insurer's actuarial review of reserves for the subject business to determine the reserve adequacy,

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- analysis of the financial condition of the transferring and assuming insurers and the effect the transfer will have on the financial condition of each company,
 - review of the plans or proposals the assuming insurer has with respect to the administration of the policies subject to the proposed transfer,
 - whether the proposed transfer has a material, adverse impact on the policyholders and claimants of the transferring and the assuming insurers,
 - analysis of the assuming insurer's corporate governance structure to ensure that there is proper board and management oversight and expertise to manage the subject business, and
 - any other information that the Commissioner requests in order to review the IBT.
- The Commissioner shall have 60 business days from the date of receipt of a complete Plan to review the Plan to determine if the applicant is authorized to submit it to the court.
 - The Commissioner may extend the 60 review period for an additional 30 business days.
 - The Commissioner shall authorize the submission of the Plan to the court unless he or she finds that the IBT would have a material adverse impact on the interests of policyholders or claimants that are part of the subject business.
 - If the Commissioner determines that the IBT would have a material adverse impact on the interests of policyholders or claimants that are part of the subject business, he or she shall notify the applicant and specify any modifications, supplements or amendments and any additional information or documentation with respect to the Plan that must be provided to the Commissioner before he or she will allow the applicant to proceed with the court filing.
 - The applicant shall have 30 days from the date the Commissioner notifies him or her, pursuant to 36 O.S. § 1686(A)(5), to file an amended Plan providing the modifications, supplements or amendments and additional information or documentation as requested by the Commissioner.
 - If necessary the applicant may request in writing an extension of time of 30 days.
 - If the applicant does not make an amended filing within the time period provided for in this paragraph, including any extension of time granted by the Commissioner, the Plan filing will terminate and a subsequent filing by the applicant will be considered a new filing which shall require compliance with all provisions of this act as if the prior filing had never been made.
 - The Commissioner's review period shall recommence when the modification, supplement, amendment or additional information requested in § 1686(A)(5) is received.
 - If the Commissioner determines that the Plan may proceed with the court filing, the Commissioner shall confirm that fact in writing to the applicant.
- Application to the court for approval of the Plan.
 - Within 30 days after notice from the Commissioner that the applicant may proceed with the court filing, the applicant shall apply to the court for approval of the Plan. Upon written request by the applicant, the Commissioner may

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- extend the period for filing an application with the court for an additional 30 days.
- The applicant shall inform the court of the reasons why he or she petitions the court to find no material adverse impact to policyholders or claimants affected by the proposed transfer.
- The application shall be in the form of a verified petition for implementation of the Plan in the court. The petition shall include the Plan and shall identify any documents and witnesses which the applicant intends to present at a hearing regarding the petition.
- The Commissioner shall be a party to the proceedings before the court concerning the petition and shall be served with copies of all filings pursuant to the Rules for District Courts of Oklahoma. The Commissioner's position in the proceeding shall not be limited by his or her initial review of the Plan.
- Following the filing of the petition, the applicant shall file a motion for a scheduling order setting a hearing on the petition.
- Within 15 days after receipt of the scheduling order, the applicant shall cause notice of the hearing to be provided in accordance with the notice provisions of 36 O.S. § 1685. Following the date of distribution of the notice, there shall be a 60-day comment period.
- The notice to policyholders shall state or provide:
 - the date and time of the approval hearing,
 - the name, address and telephone number of the assuming insurer and transferring insurer,
 - that a policyholder may comment on or object to the transfer and novation,
 - the procedures and deadline for submitting comments or objections on the Plan,
 - a summary of any effect that the transfer and novation will have on the policyholder's rights,
 - a statement that the assuming insurer is authorized, as provided in this section, to assume the subject business and that court approval of the Plan shall extinguish all rights of policyholders under policies that are part of the subject business against the transferring insurer,
 - that policyholders shall not have the opportunity to opt out of or otherwise reject the transfer and novation,
 - contact information for the Department where the policyholder may obtain further information, and
 - information on how an electronic copy of the Plan may be accessed. In the event policyholders are unable to readily access electronic copies, the applicant shall provide hard copies by first-class mail.
- Any person, including by their legal representative, who considers himself, herself or itself to be adversely affected can present evidence or comments to the court at the approval hearing. However, such comment or evidence shall not confer standing on any person. Any person participating in the approval hearing must follow the process established by the court and shall bear his or her own costs and attorney fees.
- Approval of the Plan.

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- After the comment period pursuant to § 1686(B)(6) has ended the Plan shall be presented by the applicant for approval by the court.
- At any time before the court issues an order approving the Plan, the applicant may withdraw the Plan without prejudice.
- If the court finds that the implementation of the Insurance Business Transfer Plan would not materially adversely affect the interests of policyholders or claimants that are part of the subject business, the court shall enter an implementation order. The implementation order shall:
 - order implementation of the Plan,
 - order a statutory novation with respect to all policyholders or reinsureds and their respective policies and reinsurance agreements under the subject business, including the extinguishment of all rights of policyholders under policies that are part of the subject business against the transferring insurer, and providing that the transferring insurer shall have no further rights, obligations, or liabilities with respect to such policies, and that the assuming insurer shall have all such rights, obligations, and liabilities as if it, instead of the transferring insurer, were the original insurer of such policies,
 - release the transferring insurer from any and all obligations or liabilities under policies that are part of the subject business,
 - authorize and order the transfer of property or liabilities, including, but not limited to, the ceded reinsurance of transferred policies and contracts on the subject business, notwithstanding any nonassignment provisions in any such reinsurance contracts. The subject business shall vest in and become liabilities of the assuming insurer,
 - order that the applicant provide notice of the transfer and novation in accordance with the notice provisions in § 1685, and
 - make such other provisions with respect to incidental, consequential and supplementary matters as are necessary to assure the Plan is fully and effectively carried out.
- If the court finds that the Plan should not be approved, the court by its order may:
 - deny the petition, or
 - provide the applicant leave to file an amended Plan and petition.
- Nothing in this section in any way affects the right of appeal of any party.
- Implementation of the Plan.
 - The Commissioner shall have the authority to promulgate rules to effectuate the provisions of the Insurance Business Transfer Act.

36 O.S. § 1687

- Insurers subject to this act consent to the jurisdiction of the Commissioner with regard to the ongoing oversight of operations, management, and solvency relating to the transferred business, including the authority of the Commissioner to conduct financial analysis and examinations.

36 O.S. § 1688

- At the time of filing its application with the Commissioner for review and approval of a Plan, the applicant shall pay a nonrefundable fee to the Department in the amount of \$10,000.00

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- In the Commissioner's discretion, in connection with the Department's participation in the proceedings, the applicant shall reimburse the Department for any compensation and benefits paid to the personnel of the Department for time spent engaged in the proceedings, including but not limited to examiners, actuaries, attorneys, managers and paraprofessionals.
- The Commissioner may retain independent attorneys, appraisers, actuaries, certified public accountants, or other professionals and specialists to assist Department personnel in connection with the review required by the Insurance Business Transfer Act, the cost of which shall be borne by the applicant.
- The applicant shall pay the expenses of the Department and its authorized consultants incurred in fulfilling their obligations under this act, including the actual expenses of the Department or the expenses and compensation of any consultants retained by the Department.
- Failure to pay any of the requisite fees or reimbursements within 30 days of demand shall be grounds for the Commissioner to request that the court dismiss the petition for approval of the Plan prior to the filing of an implementation order by the court or, if after the filing of an implementation order, the Commissioner may suspend or revoke the assuming insurer's certificate of authority to transact insurance business in Oklahoma.

SB 1296 – Prepaid Funeral Trust Investments

Effective November 1, 2018

36 O.S. § 6125(A)(1)

- An entity collecting funds for prepaid funeral benefits may retain 10% of the first funds collected (existing law). After that, the remaining funds collected must be “placed in investments authorized by Article 16 of the Insurance Code, except to the extent that the Insurance Commissioner may determine that a particular asset may be inappropriate for investment for prepaid funeral benefits.”
 - Deleted language: “invested in the manner provided in the Oklahoma Trust Act, Sections 175.1 through 175.57 of Title 60 of the Oklahoma Statutes, and any amendments thereto”

TITLE INSURANCE

HB 2941 – Title Insurance Information on Filed Deeds

Effective November 1, 2018

36 O.S. § 5001

- Requires title insurers to provide a copy of the schedules in the previously issued policy to a requesting party within 5 business days, unless there exists an unavoidable delay.
 - Previous law required provision “without delay.”
- New law:
 - Every title insurance producer, title insurer, or person who conducts a real estate closing that presents, for filing in the office of the county clerk, an instrument of conveyance or vesting title in connection with a transaction in which an owner’s policy of title insurance is to be issued by a title insurance producer or title insurer that is based upon such instrument shall place a legend within the instrument that sets forth the following information:

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- Deed presented for filing by: [Name of title insurance producer, title insurer or person conducting closing]
- File Number: [File Number of title insurance producer, title insurer or person conducting closing]
- [Name of Title Insurer designated in the Commitment for Title Insurance]
- The Insurance Department shall maintain, for each title insurance producer or title insurer holding a valid license and authorized to do business in the state, contact information for the office or person responsible for making available copies of owner's policies pursuant to this statute and shall make such contact information generally available to the public on its website and by telephone request.

WORKERS COMPENSATION

SB 1249 – Affidavit of Exempt Status

Effective **August 2, 2018**

85A O.S. § 36

- Amends provisions related to the work comp liability of prime contractors.
 - Previous law listed sole proprietors and partnerships.
 - New law focuses on subcontractors that are not required to, and elect not to, secure compensation under the Administrative Workers' Compensation Act. The prime contractor is not liable for work comp benefits for injuries sustained by the subcontractor or any person working with the subcontractor who is not considered an employee of the subcontractor pursuant to 85A O.S. § 2 and is not an employee of the prime contractor.
- Removes the language relating to a "certificate of noncoverage" for sole proprietors and partnerships. Creates instead an "Affidavit of Exempts Status."
- If a subcontractor files an Affidavit of Exempt Status, the subcontractor and any person who works with the subcontractor but is not considered an employee is presumed not to be covered by the work comp laws.
- The prime contractor's insurer is not liable for injuries to the subcontractor who has filed an unexpired Affidavit of Exempt Status.
- Any individual or business entity that is not required to secure compensation may execute an Affidavit of Exempt Status.
- The "Affidavit of Exempt Status" shall be a form prescribed by the Workers' Compensation Commission (WCC) available on the WCC website.
- The WCC may assess a nonrefundable fee not to exceed \$50 per individual or business entity for filing of an Affidavit.
- An Affidavit of Exempt Status executed and filed with the Commission shall expire at midnight 2 years from the date filed.
- A new Affidavit of Exempt Status may be filed prior to expiration to renew an existing Affidavit of Exempt Status.
- Knowingly providing false information on an executed affidavit shall constitute a misdemeanor punishable by a fine not to exceed \$1,000.
- In the event changed circumstances make securing compensation necessary, the individual or business entity on whose behalf the affidavit was executed shall execute and file a Cancellation of Affidavit of Exempt Status.
- Affidavits shall conspicuously state on the front thereof in at least ten-point, bold-faced print that it is a crime to falsify information on the form.

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- The WCC shall immediately notify the Workers' Compensation Fraud Unit in the Office of the Attorney General of any violations or suspected violations of this section.
- The WCC shall cooperate with the Fraud Unit in any investigation involving affidavits executed pursuant to this section.
- The execution or filing of an affidavit shall not affect the rights or coverage of any employee of the affiant or business entity on whose behalf the affiant executes or files an affidavit.
- Fees collected pursuant to this section shall be deposited in the State Treasury to the credit of the WCC Revolving Fund.
- If an owner of a project or job enters a contract with a contractor, and the owner of the project or job does not substantively form an employment relationship with its contractor, then the owner of the project or job shall not be liable for compensation for a compensable injury to any contractor or subcontractor in any tier or employee of any contractor or subcontractor in any tier.

SERVICE WARRANTIES

SB 1142 – Service Warranty Association Financials

Effective November 1, 2018

15 O.S. §§ 141.2, 141.7, 141.11, & 141.14

- For purposes of determining what type of financial statement a service warranty association must annually file with the Department, associations are divided into two categories:
 - An association which relies on § 141.6(A) and maintains an unearned reserve account must file audited financial statements prepared in accordance with statutory accounting principles (SAP).
 - An association which relies on § 141.6(B) and purchases a liability insurance policy to cover 100% of its liability must file a financial statement verified under oath by at least two of its principal officers and prepared in accordance with generally accepted accounting principles (GAAP).
- The definition of “net assets” is amended to remove language related to the treatment of “goodwill, franchises, customer lists, patents or trademarks, and receivables from or advances to officers, directors, employees, salesmen and affiliated companies . . .” Net assets means simply “the amount by which the total assets of an associations exceed the total liabilities of the association.”
 - Because all service warranty associations will now be subject to either SAP or GAAP, and both of these accounting methods have rules for the treatment of these assets, there is no need to continue to list them in statute.
- The definition of “total liabilities” is removed from the Service Warranty Act completely.
 - SAP and GAAP rules will apply.
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§ 141.9

- The Commissioner **may** suspend or revoke the license of an association that is determined to be impaired or insolvent.
 - Previous law made the suspension or revocation mandatory.

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BAIL BONDSMEN

SB 1489 - Alcohol Modernization Update

Effective November 1, 2018

59 O.S. § 1315

- Updates the bail bondsman statutes to reflect the alcohol laws modernization that will be effective in Oklahoma on October 1 (elimination of low point beer and move of alcohol laws from Title 37 to Title 37A).
 - No person shall be permitted to maintain an office for the conducting of bail bond business where persons disqualified pursuant to § 1315(A) are present, except as necessary for such persons to obtain a personal bail bond.
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State Government / Insurance Department Operations

HB 2308 - Insurance Department Building

Effective November 1, 2018

36 O.S. § 302.1

- Authorizes the Insurance Commissioner to relocate the Insurance Department's Oklahoma City office to a site located along the Lincoln Boulevard Corridor owned by the Commissioners of the Land Office. Authorizes the Commissioner to enter into a lease-purchase agreement to construct a new building on the site.
-

HB 1155 - Agency Salary Reporting by OMES

Effective November 1, 2018

74 O.S. § 840-2.17(G)

- Requires the Office of Management and Enterprise Services to file a quarterly report with the Governor, President Pro Tempore of the Senate, and Speaker of the House listing, by agency, all increases in wages, salaries or rates of pay and any changes to title or classifications of each employee.
-

HB 2516 - OPERS Sick Leave Credits

Effective November 1, 2018

74 O.S. §§ 913, 913.4, & 915

- Requires the employer of an Oklahoma Public Employees Retirement System (OPERS) member who receives additional service credit from unused sick leave to reimburse OPERS the cost of the additional service credit.
 - OPERS currently requires such reimbursement from employers if the additional service credit rounds up to a year.
 - The measure provides that such reimbursement be collected on each month of credit.
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HB 2933 - Fee Waiver for Low-Income License Applicants

Effective November 1, 2018

59 O.S. § 4003

- Requires licensing agencies to grant license applicants who are low-income individuals a one-time, one-year waiver from licensing fees.
 - “Low-income individual” means an individual who is enrolled in a state or federal public assistance program, including, but not limited to, the Temporary Assistance for Needy Families, Medicaid or the Supplemental Nutrition Assistance Program, or whose household adjusted gross income is below 140% of the federal poverty line.
-

HB 3234 - State Employee Vision Plans

Effective **April 12, 2018**

74 O.S. § 1374(D)

- In the event that the number of vision plans submitting offerings to OMES each year exceeds the number allowed by subsection C, OMES has the authority to reject excess offerings based upon failure to meet bid requirements or for providing lesser value for Oklahoma.
-

SB 1475 - Occupational Licensing Review Act

Effective **May 7, 2018**

40 O.S. § 800.1

- Creates the Occupational Licensing Advisory Commission:
 - Labor Commissioner,
 - Two House members appointed by the Majority Leader – initial 3-year term,
 - One House member appointed by the Minority Leader – initial 2-year term,
 - Two Senate members appointed by the Majority Leader – initial 3-year term,
 - One Senate member appointed by the Minority Leader – initial 2-year term,
 - The Chief Information Officer of OMES,
 - Three members appointed by the governor representing an occupation or profession licensed in Oklahoma – initial 1-year terms,
 - 1 member of medical community,
 - 1 member of a trade profession,
 - 1 member of the business community,
 - One member appointed by the governor representing a not-for-profit that advocates for low-income persons or disadvantaged persons – initial 1-year term.
 - The Commission is subject to the Open Meetings Act and the Open Records Act.
 - Commission members cannot serve on a board or commission regulating their professional while serving on the OLAC.
 - After the initial terms, members serve staggered three-year terms.
 - Labor Commissioner, or designee, is chair.
 - The purpose of the Commission is to conduct a review of each occupational or licensing act in Oklahoma at least every 4 years and make recommendations to the Legislature.
 - The Commission will hold at least one public meeting annually to present its findings. The meeting will allow for public comment. The results shall be submitted in a written report to the Governor, Speaker of the House, and President Pro Tempore of the Senate, and posted on the Labor Commissioner’s website.
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SB 1581 - The Leave of Last Resort Program

Effective November 1, 2018

74 O.S. § 840-2.23

- Clarifies that state entities shall allow employees to receive donated annual or sick leave from employees within their employing entity and different state entities, provided that the employee must first exhaust all available leave options within the state entity of the employee.
 - Requires the Human Capital Management (HCM) Division of OMES to designate an employee to serve as the shared leave liaison. If a qualifying employee is unable to obtain the necessary number of donated leave hours from his or her employing entity, he or she may contact the shared leave liaison, who shall:
 - Inform all state agencies of the requirements of this section,
 - Inform all state employees of the rights afforded under this section,
 - Ensure an employee requesting shared leave from other state entities meets the criteria set forth in this section,
 - Coordinate outreach efforts within the employing agency and to other state entities to obtain all necessary hours of shared leave for the employee,
 - Ensure an employee has exhausted all sources of shared leave both within his or her employing entity and other state entities before requesting leave from the Leave of Last Resort Bank, and
 - Coordinate leave requested from the Leave of Last Resort Bank.
 - Creates the Leave of Last Resort Bank. In the event a qualifying employee is unable to secure shared leave from employees within his or her employing entity or within a different entity, an employee may request leave from the Leave of Last Resort Bank. The Leave of Last Resort Bank shall be administered by HCM.
 - The Bank shall be funded by voluntary donations of annual and sick leave from employees retiring from or leaving state service.
 - Upon retirement or the final day of state service, an employee shall elect, in writing, whether any of his or her annual or sick leave shall be deposited into the Bank.
-

HB 1024XX - State Employee Pay Raises

Effective **July 1, 2018**

Passed in the Second Special Session of 2017

New Law not codified

- Provides an annualized pay raise for state employees:
 - \$2,000 for individuals with a salary of \$40,000 or less,
 - \$1,500 for individuals with a salary of \$40,001 - \$49,999,
 - \$1,000 for individuals with a salary of \$50,000 - \$59,999, and
 - \$750 for individuals with a salary of \$60,000 or greater.
-

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UNINSURED MOTORISTS

SB 1339 – License Plate Stays With the Owner

Effective **July 1, 2019**

47 O.S. § 1112.2

- License plates and certificates of registration are to be issued to and remain in the name of the owner of the vehicle registered.
 - License plates cannot be transferred between motor vehicle owners.
 - Registration procedures when a vehicle is transferred with a current and valid license plate:
 - The license plate shall be removed from the vehicle and retained by the owner,
 - In the event the owner purchases/acquires another vehicle of the same classification as the one sold, the plate may, upon authorization of the Tax Commission, be used on the replacement vehicle for the remainder of the current registration period. The owner is required to pay the difference in registration fees, if any, which are to be calculated on a monthly prorated basis,
 - No refund is to be granted when the registration fees on the replacement vehicle are less than the ones paid for the transferred vehicle to which the plate was previously assigned or if the plate owner does not acquire another vehicle to which the plate may be transferred.
-

HB 1152 – Temporary Motorist Liability Plan Administrator

Effective November 1, 2018

47 O.S. § 7-626

- Allows the Insurance Commissioner to contract with a statewide association of county sheriffs to serve as the Plan Administrator.
 - Previous law made the statewide association the Plan Administrator outright instead of being a contractor for the Commissioner.
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RULES

ALL RULE CHANGES ARE EFFECTIVE SEPTEMBER 14, 2018

Chapter 15 – Property and Casualty

Subchapter 3. Claims Resolution and Unfair Claim Settlement Practices

365:15-3-1. Purpose

- Fixes an incorrect reference to the rulemaking authority for the rule.
- Updates the language to reflect the updated title of the authorizing act – the Unfair Claims Settlement Practices Act.

365:15-3-2. Definitions

- Updates the statutory reference and the updated title of the authorizing act.

365:15-3-2.1. Minimum standard of performance

- Updates the statutory reference.

Chapter 25 – Other Licensees

Subchapter 3. Producers, Brokers, Limited Lines Producers and Vehicle Protection Product Warrantors

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

- Subsection (c): “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.”

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 receipt of the request for release.”

Subchapter 7. Companies

Part 5. Oklahoma Insurance Holding Company System Regulatory Act

Subchapter 7, Part 5, Sections 20, 22, 23, 27.1, 28, 28.1, 29, 29.1, 29.2, 30, and 31 are amended to update the statutory references that were changed when Oklahoma repealed and replaced the Holding Company Act in HB 2234 in 2017 (36 O.S. §§ 1631-1648).

Part 15. Company Supervision

Subchapter 7, Part 15, Sections 81, 82, 83, 85, and 86 are amended to update the statutory references that were changed when Oklahoma repealed and replaced the Holding Company Act in HB 2234 in 2017 (36 O.S. §§ 1631-1648).

Subchapter 15. Captive Insurance Companies Regulation

365:25-15-2. Annual reporting requirements

- Subchapter (e): “‘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

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Qualification Standards for Actuaries Issuing Statements of Actuarial Opinions in the United States promulgated by the American Academy of Actuaries."

Subchapter 29. Pharmacy Benefits Managers

365:25-29-6. Surety bond

- Previous requirement of a surety bond of \$1,000,000 per occurrence / \$5,000,000 annual aggregate is removed and replaced. Absent a finding otherwise, the following amounts will be deemed sufficient:
 - For a PBM with ≤ 5,000 covered lives: minimum \$50,000
 - 5,0001 - 10,000 covered lives: \$100,000
 - 10,001 - 25,000 covered lives: \$250,000
 - 25,001 - 50,000 covered lives: \$500,000
 - 50,001 - 100,000 covered lives: \$750,000
 - \$100,001+ covered lives: \$1,000,000

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

- Several changes are made to reflect changes made to the governing statute in SB 1150 in 2016:
 - References to “MAC” and “maximum allowable cost” are removed and replaced with “multisource drug product reimbursement”
 - Appeals by providers must be filed within 10 business days following the “final adjusted payment date”
 - Previous law required filing within 10 business days following the “prescription claim date”
 - Clarifies that if a PBM denies an appeal, it must “provide 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 . . .”

Appendix A

Appendix A is revoked and re-passed to update citations as result of statutory changes made in HB 2234 during the 2017 legislative session, as well as to update the date input sections.

365:25-3-1 and 14

These two rules were amended via emergency rules to require property insurance producers and adjusters to obtain 1 hour of continuing education on the topic of flood insurance within their existing CE requirements each cycle. The emergency rules are effective September 15, and the requirement kicks in starting on January 1, 2019.