OKLAHOMA INSURANCE DEPARTMENT

PROTECTING OKLAHOMA
JOHN D. DOAK
INSURANCE COMMISSIONER
OKLAHOMA INSURANCE DEPARTMENT

2016 Statute & Rule Changes

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2016 STATUTE CHANGES

HB 2761 – Insurance Department Omnibus Request

HB 2761 – Privilege Retention

- When a company turns over a document to the Commissioner in the course of an examination, the document retains an applicable privilege or claim of confidentiality that would otherwise apply.
- *Example*: if an email from a company attorney to the CEO would otherwise be privileged as attorney-client communication, the disclosure of that document to the Commissioner during examination does not waive that privilege.

Effective November 1, 2016

36 O.S. § 309.4(E)(4)

HB 2761 – Interlocal Entities

- Interlocal Entities insuring educational institutions are currently required to annually file an actuarial opinion with the Commissioner.
- If the Interlocal Entity purchases full insurance coverage to cover the risk then it is not required to file an actuarial opinion.

Effective November 1, 2016

36 O.S. § 607.1(C)

HB 2761 – TPA Reports

- A Third Party Administrator with less than $50,000 premiums collected or claims paid, whichever is greater, is not required to obtain a CPA review of its annual report.
- If a TPA has had no business or activity in the past year, then it is **currently allowed to apply, by May 1** of each year, for a waiver of its annual reporting requirement.
- *Going forward*, a TPA with no business will be **required to apply, by April 1** of each year, for a waiver of its reporting requirement.

Effective November 1, 2016

36 O.S. § 1452

HB 2761 – Life Insurance Valuation

- Eliminates the small company exemption from the Life Insurance Valuation Law, which governs how life insurance companies calculate reserves.
- The previous threshold was for companies with ordinary life premiums less than $300M for the legal entity and less than $600M for the associated group.
- This exemption is no longer necessary because the NAIC's valuation manual now contains a similar small company exemption.

Effective November 1, 2016 *36 O.S. § 1510(T)*

HB 2761 – Life Insurance Valuation

- NAIC valuation manual:
  - Premium threshold: The company's ordinary life premiums must be less than $300M for the legal entity and less than $600M for the associated group.
  - Exempt from performing Principle-Based Reserving exclusion tests: Rather than being exempted from the Valuation Manual entirely (and thus not subject to reporting requirements, etc.), the company would be exempted from performing PBR exclusion tests.
  - Risk-Based Capital (RBC): The company's RBC must be at least 450%.

Effective November 1, 2016

36 O.S. § 1510(T)

HB 2761 – Holding Co. Registration

- Sets out the date by which an entity required to register under the Holding Company Act must annually file its registration (May 1).
- Sets out the date by which the ultimate controlling person of every insurer subject to registration must annually file an enterprise risk report (May 1).
  - For more on enterprise risk reports, see amended and new OID rules at 365:25-7-23, 24, 26, and 29.2., and new Appendix AA.

HB 2761 – Group Life

- Raises the age of dependents to whom an insurer may extend coverage under a group life policy from age 21 to age 26.

Effective November 1, 2016

36 O.S. § 4101.1(A)

HB 2761 – Health Plan Definition

36 O.S. § 6060.4(C)(2):

2. The term "health benefit plan" shall not include:

a. a plan that provides coverage:

(1) only for a specified disease or diseases or under an individual limited benefit policy,
(2) only for accidental death or dismemberment,
(3) only for dental or vision care,
(4) a hospital confinement indemnity policy,
(5) disability income insurance or a combination of accident-only and disability income insurance, or
(6) as a supplement to liability insurance,

- The definition used in this Section serves as the definition for several other Sections of Title 36.

Effective November 1, 2016

36 O.S. § 6060.4(C)(2)(a)(3)

HB 2761 – Prepaid Funeral Benefits

- Allows the Commissioner to deny a prepaid funeral benefits permit to an entity if any of its officers, owners, partners, or directors are not competent, trustworthy, financially responsible, and of good personal and business reputation and character.
- This is similar to the language used for insurance producer, viatical settlement broker, and bail bondsman licensing.

HB 2761 – Prepaid Funeral Benefits

- *Current Law*: a prepaid funeral benefits permit holder which loses its permit via cancellation or nonrenewal by the Commissioner may not obtain a new permit within 1 year after cancellation or nonrenewal.
- *New Law*: This 1-year waiting period will also apply to an entity which has had its permit application refused by the Commissioner.

HB 2761 – Public Adjusters

- Clarifies that a public adjuster may not adjust claims on behalf of an insured without being granted the authority to do so by the insured.
- Fixes a typo in the public adjuster's required disclosure document: "The public adjuster is not a representative or employee of the ~~insured~~ insurer . . . ."

Effective November 1, 2016

36 O.S. §§ 6220(A)(9) & 6223(C)(3)

HB 2761 – Captive Insurers

- Moves a comma to the correct location to fix a typo:

  "Pure captive insurance company" means a company that insures risks of its parent, affiliated companies~~,~~ of its parent~~,~~ and any controlled unaffiliated business, or a combination thereof.

- Clarifies language:

  A pure captive insurance company may not insure any risks other than those of its parent, affiliated companies <u>of its parent, or any</u> controlled unaffiliated business, or a combination thereof;

Effective November 1, 2016

36 O.S. §§ 6470.2(22) & 6470.3(A)(1)

HB 2761 – Service Warranty Act Reference

- Updates a reference to reflect that the Service Warrant Act was moved from Title 36 to Title 15:

"Portable electronics insurance" does not include:

. . .

d. a contract excluded from the definition of a service warranty as set forth by subparagraphs a through ~~e~~ g of paragraph ~~14~~ 17 of Section ~~6602~~ 141.2 of ~~this title~~ Title 15 of the Oklahoma statutes;

Effective November 1, 2016

36 O.S. § 6670(6)(d)

2016 STATUTE CHANGES

Life & Health

HB 2962 – Autism Coverage

- Health benefit plans issued or renewed after 11/1/16, and the Oklahoma Employees Health Insurance Plan, must provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder in individuals less than 9 years of age.
- If an individual is not diagnosed or treated until after age 3, coverage must be provided for at least 6 years if they continually and consistently show sufficient progress and improvement as determined by the health care provider.
- No limit on the number of visits.

Effective November 1, 2016

36 O.S. §§ 6060.21

HB 2962 – Autism Coverage

- Cannot be subject to dollar limits, deductibles, or coinsurance provisions less favorable than those that apply to other medical and surgical benefits.
- Maximum benefit of 25 hours per week and no more than $25,000 per year, with the dollar limit to be adjusted annually by the Commissioner.
- Except for inpatient services, an insurer may review the treatment plan annually, unless the insurer and the treating physician agree that a more frequent review is necessary.

Effective November 1, 2016

36 O.S. §§ 6060.21

HB 2962 – Applicability

- The coverage requirement does not apply to:
  - nongrandfathered plans in the individual and small group markets that are required by the Affordable Care Act to include essential health benefits,
  - Medicare supplement,
  - accident-only,
  - specified disease,
  - hospital indemnity,
  - disability income,
  - long-term care, or
  - other limited benefit hospital insurance policies

HB 2962 – Definitions

36 O.S. § 6060.21(J)(2)

"Autism spectrum disorder" means any of the pervasive developmental disorders or autism spectrum disorders as defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or the edition that was in effect at the time of diagnosis;

HB 2962 – Definitions

36 O.S. § 6060.21(J)(11)

"Treatment for autism spectrum disorder" means evidence-based care and related equipment prescribed or ordered for an individual diagnosed with an autism spectrum disorder by a licensed physician or a licensed doctoral-level psychologist who determines the care to be medically necessary, including, but not limited to:

a. behavioral health treatment,
b. pharmacy care,
c. psychiatric care,
d. psychological care, and
e. therapeutic care.

HB 2962 – Definitions

36 O.S. § 6060.21(J)(3)

"Behavioral health treatment" means counseling and treatment programs, including applied behavior analysis, that are:

a. necessary to develop, maintain or restore, to the maximum extent practicable, the functioning of an individual, and

b. provided by a board-certified behavior analyst or by a licensed doctoral-level psychologist so long as the services performed are commensurate with the psychologist's university training and experience;

HB 2962 – Definitions

36 O.S. § 6060.21(J)(1)

"Applied behavior analysis" means the design, implementation and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement and functional analysis of the relationship between environment and behavior;

HB 2962 – Exemption

- If a health benefit plan experiences an increase in premium costs of more than 1% for providing the coverage required by the act, it will be exempted from the act.
- To claim the exemption, a plan shall provide to the Commissioner a written request signed by an actuary stating the reasons and actuarial assumptions upon which the request is based.
- The Commissioner shall verify the information and approve or disapprove the request within 30 days.
- The plan faces suspension or penalty if any statement of fact in the request is found to be knowingly false.

Effective November 1, 2016 *36 O.S. §§ 6060.22*

HB 2962 – Medicaid

- The Oklahoma Health Care Authority, in conjunction with the Department of Mental Health and Substance Abuse Services, the State Department of Health, and the State Department of Education, shall examine the feasibility of a state plan amendment to the Oklahoma Medicaid Program for applied behavior analysis treatment of autism spectrum disorders.
- Report to Governor, Speaker, and Pro Tem by 12/31/2016
- Application for amendment by 7/01/2017

Effective November 1, 2016 *56 O.S. § 1011.12*

HB 2097 – HMO Contract Delivery

- *Old Law – opt into electronic delivery*: A contract holder had the option to receive an electronic copy of their contract if they gave written assurances they could view and print the electronic copy.
- *New Law – opt out of electronic delivery*: A contract holder will receive an electronic copy of their contract, but may request a printed copy if they are unable to view and print the electronic copy.

HB 2547 – Telemedicine Informed Consent - Repealed -

- Since 1997, this Section has required that "[p]rior to the delivery of health care via telemedicine, the health care practitioner who is in physical contact with the patient shall have the ultimate authority over the care of the patient and shall obtain informed consent from the patient."
- This informed consent is no longer required.

Effective November 1, 2016

36 O.S. § 6804 (Repealed)

SB 1386 – State Innovation Waiver

- Authorizes the creation and submission of a State Innovation Waiver for the purpose of creating Oklahoma health insurance products that improve health and healthcare quality while controlling costs.
- May include multiple waivers:
  - Affordable Care Act Section 1332 - for the purpose of waiving certain federal insurance and tax regulations to create more state flexibility within the health insurance market.
  - Social Security Section 1115 - for the purpose of participating in the Delivery System Reform Incentive Payment Program or uncompensated care pools, or both, with the aim of incentivizing providers through payment for achieving better health outcomes.

Effective November 1, 2016 *36 O.S. § 1416*

SB 1386 – State Innovation Waiver

- To be presented to the Oklahoma Legislature along with a summary of comments received from public hearings and shall identify specific provisions of the ACA to be waived.
- Participating agencies: State Department of Health, the Oklahoma Health Care Authority, the Department of Mental Health and Substance Abuse Services, and the Insurance Department.

SB 1377 – Dental Services

- Prohibits an entity engaged in contracting with providers of dental services from granting access to the services of a participating provider under any health care contract unless the contract expressly authorizes it.
- Contracting entity must identify any third party granted access to the dental services of a participating provider.
- Compliance with the new law can be accomplished if the ID card of the insured provides information identifying the insurance carrier to be used to reimburse the provider for covered dental services.

Effective November 1, 2016 *36 O.S. § 7302*

HB 2996 – Stop Loss

- *New Law*:

  "Any stop-loss insurance coverage issued by an insurer authorized to do business in this state that provides an aggregate retention benefit shall provide an aggregate retention of no less than one hundred ten percent (110%) of the expected claims."

- The Commissioner shall develop minimum disclosure standards to be incorporated into a form which shall be utilized by insurers selling stop-loss coverage to small employers.

Effective November 1, 2016 *36 O.S. § 7401*

SB 1374 – Life Care Communities

- Clarifies the definition of "life care community" under the Long Term Care Insurance Act to require the entity be not-for-profit.
- Changes the required payment arrangements for such communities from "~~a payment or payments of fees prior to the delivery of services and accommodations~~" to "an endowed prepayment, license or entry fee which has been actuarially established to meet the cost of the promised services and accommodations."
- New exemption from the definition of "not-for-profit life care community": any facility where the endowed prepayment, license, or entry fee is less than $50,000.00.

Effective November 1, 2016

36 O.S. § 4424(5)

SB 1499 – Opioid Study

- Requires the College of Pharmacy at Southwestern Oklahoma State University to analyze the effectiveness of the anti-abuse properties of anti-abuse-formulated opioids.
- Requires analysis of the discrepancies between insurance coverage for the anti-abuse-formulated prescription opioids and coverage for prescription opioids without abuse-deterrent properties.
- Such information shall be submitted in a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before December 31, 2016.

SB 1150 – "Reimbursement" Definition

- Defines "multisource drug product reimbursement" or "reimbursement" as "the total amount paid to a pharmacy inclusive of any reduction in payment to the pharmacy, excluding prescription dispense fees"

SB 1150 – Pharmacy Benefits Managers

- Alters requirements for PBM/provider contracts:

  Provide a reasonable administration appeals procedure to allow a provider or a provider's representative to contest ~~maximum allowable cost rates~~ reimbursement amounts within ten (10) business days of ~~prescription claim~~ the final adjusted payment date. The pharmacy benefits manager must respond to a provider or provider's representative who has contested a ~~maximum allowable cost rate~~ reimbursement amount through this procedure within ten (10) business days. If a price update is warranted, the pharmacy benefits manager shall make the change in the ~~MAC~~ reimbursement amount, permit the challenging pharmacy to reverse and rebill the claim in question, and make the ~~MAC~~ reimbursement amount change effective for each similarly contracted Oklahoma provider

Effective November 1, 2016

59 O.S. § 360(A)(4)

SB 1150 – Pharmacy Benefits Managers

- Expanded scope of allowable appeals:
  - *Old law*: appeals of maximum allowable cost (MAC) rates only
  - *New law*: appeals of total reimbursement amounts for all multisource prescription drugs
- New appeal filing timeline:
  - *Old law*: within 10 business days after the prescription claim date
  - *New law*: within 10 business days after the final adjusted payment date

Effective November 1, 2016 *59 O.S. § 360(A)(4)*

HB 1293 – Life Ins. Premium Tax

- If a life insurance policy is purchased by an employer to cover the life of one of its employees or directors, the premium tax rate for the policy will be:
  - 2.25% of policy year premium up to $100,000
  - 0.10% of policy year premium exceeding $100,000
- The Commissioner shall promulgate rules regarding the sale of policies subject to this reduced premium tax rate

Effective August 25, 2016

36 O.S. § 624

2016 STATUTE CHANGES

State, County, & Municipal Employee Benefits

HB 3071 – Health Ins. Mandates

- Any health insurance mandates enacted after 11/01/2016 must also apply to the Oklahoma Employees Health Insurance Plan.

HB 1711 – Retired State Employees

- Allows retired state employees under age 65 to elect to enroll in a health plan priced between $100 less and $100 more than the monthly premium for active employees.

Effective November 1, 2016

74 O.S. § 1371(B)

SB 804 – State Employee Vision Plans

- *Old Law*: every vision plan meeting certain criteria was allowed to participate in the state plan
- *New Law*: no more than 2 Oklahoma-based vision plans and no more than 2 out-of-state vision plans meeting the criteria may be offered
- *Old Law*: each vision plan required to be licensed by OID, certified by the State Department of Health, or licensed by OID as a third party administrator
- *New Law*: each vision plan must be properly licensed, registered, certified, or authorized to operate its business in Oklahoma by OID

Effective August 25, 2016

74 O.S. § 1374

HB 2785 – City Employee Disability Ins.

- Allows a city to participate in the Disability Insurance Program administered by the Oklahoma Employees Insurance and Benefits Board.
- All employees of any city electing to participate in the Program shall have disability insurance coverage.
- The Board shall determine the amount of contribution required for the disability insurance coverage.

Effective November 1, 2016 *74 O.S. § 1335*

2016 STATUTE CHANGES

Property & Casualty

SB 791 – Claims Made Policies

- *Existing Law*: No liability policy may be retroactively annulled by any agreement between the insurer and the insured after the occurrence of any injury, death, or damage for which the insured may be liable, and any attempted annulment is void.
- *New Law*: This does not apply to "claims made" insurance policies unless there is actual notice that a claim or potential claim has been made against an insured who must have reported the claim or potential claim to the insured's insurer.

SB 1095 – Limits on Liability for Volunteers

- The liability of any individual volunteering to provide transportation on behalf of a charitable organization or not-for-profit corporation is limited to the limits of the individual's current motor vehicle insurance policy, provided the individual has such a policy at the minimum state mandated limits.
- Does not apply in cases of gross negligence or willful or wanton conduct committed in providing the transportation.

Effective November 1, 2016

76 O.S. § 31(E)

2016 STATUTE CHANGES

Agents, Adjusters, & Brokers

SB 1186 – Military Members

- Current law prohibits any full-time employee of the U.S. government or of the executive or administrative branches of Oklahoma, county, or municipal government from holding an insurance license.
- Current exceptions:
  - Applicants for life or accident and health insurance producer licenses or limited lines producers,
  - Persons who hold an elective office, except the Insurance Commissioner, and
  - Teachers
- New law allows members of the U.S. Armed Forces and Oklahoma National Guard to obtain an insurance license.

Effective November 1, 2016 *36 O.S. § 1435.40(C)*

2016 STATUTE CHANGES

Service Warranties

HB 2715 / SB 823 – Preprinted Contracts

- Beginning July 1, 2017, a service warranty association must print its name and license number on every contract prior to sale.
- Can be pre-printed on the contract or added by printer prior to sale so consumers can clearly identify the obligor of the contract.
- The Commissioner is allowed to waive these requirements if, in his or her discretion, they "may not practicably be applied, or the filing and approval of which are, in his or her opinion, not desirable or necessary for the protection of the public."

Effective November 1, 2016

15 O.S. § 141.13

HB 2715 / SB 823 – Terms & Conditions

- Upon request, a service warranty association must provide a consumer with a complete sample copy of the terms and conditions of the contract prior to sale.
- May comply by providing the consumer with a sample copy of the terms and conditions of the service warranty contract or by directing the consumer to a website that displays a complete sample of the terms and conditions of the contract.

Effective November 1, 2016

15 O.S. § 141.26(8)

HB 2715 / SB 823 – Market Conduct Exams

- Allows the Commissioner to examine the claims files of service warranty associations in the same manner as insurance companies.
- Requires service warranty associations to provide an adequate response to an inquiry by the Commissioner within 30 days of the inquiry.
- Requires service warranty associations to provide an adequate response to a communication from a consumer within 30 days of receipt of the communication.
- Subject to a fine of $100 - $5,000 per violation.

Effective November 1, 2016

15 O.S. § 141.33

HB 2715 / SB 823 – Cease & Desist Orders

- The Commissioner may issue a cease and desist order if:
  1. The Commissioner believes that:
     a. an unauthorized service warranty association is engaging in the business of service warranties, or
     b. an unauthorized person engaged in the business of service warranties is committing an unfair method of competition or an unfair or deceptive act or practice; or
  2. It appears to the Commissioner that the alleged conduct is fraudulent, hazardous, creates an immediate danger to the public safety, or is causing or can be reasonably expected to cause significant, imminent, and irreparable public injury.

HB 2715 / SB 823 – Cease & Desist Orders

- An emergency cease and desist order must be served on the person it affects and must contain a statement of the charges.
- The person affected may request a hearing to contest the order within 30 days of the date of receipt.
- The Commissioner must set a date for a hearing, which must be within 10 days of receipt of the request, unless the parties agree to a later date.
- Pending a hearing, the order shall continue in full force and effect unless stayed by the Commissioner.
- A person aggrieved by a final order may seek judicial review.

Effective November 1, 2016 *15 O.S. § 141.35*

2016 STATUTE CHANGES

Funeral Homes & Cemetery Trusts

SB 481 – Prepaid Funeral Benefits Permits

- The Commissioner may apply for receivership for a prepaid funeral benefit permit holder, in the same manner as a domestic insurer, if the permit holder:
  - refuses to submit to examination by the Commissioner,
  - refuses or neglects to establish or maintain a prepaid funeral benefit permit within 90 days after a written demand by the Commissioner, or
  - in any manner obstructs or interferes with the examination of its prepaid funeral benefits contracts or refuses to be examined under oath concerning any of the affairs of its prepaid funeral benefit contracts.

Effective November 1, 2016 *36 O.S. § 6124.1(G)*

SB 481 – Prepaid Funeral Benefits Investments

- *Old Law*: Prepaid funeral benefits funds invested "in interest-bearing investments authorized by Article 16 of the Insurance Code, except to the extent the Insurance Commissioner may determine that a particular asset may be inappropriate for investment for prepaid funeral benefits."
- *New Law*: "invested in the manner provided in the Oklahoma Trust Act . . . ."

Effective November 1, 2016 *36 O.S. § 6125(A)(1)*

SB 481 – Perpetual Care Trust Fund

- The Commissioner may apply for receivership for a cemetery owner or trustee of a Perpetual Care Trust Fund, in the same manner as a domestic insurer, if the cemetery owner or trustee:
  - refuses to submit to examination by the Commissioner,
  - refuses or neglects to establish or maintain a Perpetual Care Trust Fund within 90 days after a written demand by the Commissioner, or
  - in any manner obstructs of interferes with the examination of its cemetery or refuses to be examined on oath concerning any of the affairs of its cemetery.

Effective November 1, 2016 *36 O.S. § 7106(D)*

SB 481 – Perpetual Care Fund Income

- *Current Law*: A cemetery's Perpetual Care Fund must be invested, and the income only shall be used in improving, caring for, and embellishing the lots, walks, dives, parks, and other improvements in the cemetery
- *New Law*: Capital gains are specifically excluded from the definition of "income" in the Perpetual Care Fund Act

Effective November 1, 2016

36 O.S. § 7102(5)

SB 481 – Perpetual Care Fund Distribution

- A cemetery may choose distribution from its Perpetual Care Fund in the form of either:
  - All net ordinary income, or
  - An amount, not to be reduced by taxes or fees, not to exceed 5% of the average fair market value of the trust funds.
- Must notify the trustee of the fund and the Commissioner at least 30 days prior to start of the calendar year.
- Disbursements to be made monthly, quarterly, semi-annually, or annually, as agreed upon by the cemetery and trustee.

Effective November 1, 2016 *36 O.S. § 7103(E)*

SB 481 – Perpetual Care Fund Distribution

- If no instructions are given to the trustee, disbursements of net ordinary income are to be made monthly.
- To withdraw up to 5% of trust funds, the current market value of the trust after withdrawal must be greater than the aggregate of 80% of the market value of the trust as of the preceding calendar year plus the total contributions made to the trust principal. If not, distribution is limited to net ordinary income.
- The Commissioner may limit or prohibit distribution based on the average fair market value calculation in certain circumstances.

Effective November 1, 2016 *36 O.S. § 7103(E)*

SB 481 – Cemetery Merchandise Fund Investments

- *Old Law*: Cemetery Merchandise Trust Funds invested, reinvested, exchanged, retained, sold and managed in the manner required by and subject to the Commissioner and at the election of the trustee.
- *New Law*: "in the manner provided in the Oklahoma Trust Act . . . ."

2016 STATUTE CHANGES

Oklahoma Insurance Department Operations

SB 1012 – Anti-Fraud Investigations

- Clarifies the authority of the Anti-Fraud Unit of the Insurance Department to investigate any suspected insurance fraud or conduct any administrative investigation of any insurance product, organization, or licensee under the regulation or authority of the Commissioner.

SB 1488 – Credit for Reinsurance

- Updates Oklahoma's Credit for Reinsurance Act to align with recent updates to NAIC Model Act #785.
- The Oklahoma Insurance Department will follow up these changes with proposed rules substantially similar to, or identical to, NAIC Model Regulation #786.

SB 1488 – Trust-Backed Reinsurance

- If reinsurance is ceded to an insurer which maintains a trust in compliance with 36 O.S. § 5122(E), the commissioner with principal regulatory oversight of the trust may authorize a reduction in the required trusteed surplus, at any time after the assuming insurer has permanently stopped underwriting new business secured by the trust for at least 3 full years, if they find that the new required surplus level is adequate to protect U.S. ceding insurers, policyholders, and claimants.
- The minimum required trusteed surplus shall not be reduced to less than 30% of the assuming insurer's liabilities on reinsurance ceded by U.S. insurers covered by the trust.

Effective November 1, 2016

36 O.S. § 5122(E)(6)(b)

SB 1488 – Certified Reinsurers

- Credit for reinsurance ceded allowed when ceded to an assuming insurer that is certified by the Commissioner and secures its obligations in accordance with the act.
- To be eligible for certification, an assuming insurer shall:
  - Be domiciled and licensed in a qualified jurisdiction,
  - Maintain min. capital and surplus in an amount to be set by rules,
  - Maintain financial strength ratings from two or more rating agencies deemed acceptable by the Commissioner,
  - Agree to completely submit to the jurisdiction of this state,
  - Agree to meet information filing requirements of the Commr., and
  - Satisfy any other requirements deemed relevant by the Commr.

Effective November 1, 2016 *36 O.S. § 5122(F)(1)*

SB 1488 – Certified Reinsurers

- An association, including incorporated and individual unincorporated underwriters, may be a certified reinsurer if it meets certain additional requirements.
- The Commissioner shall publish a list of qualified jurisdictions from which an assuming insurer is eligible for certification.
- The Commissioner shall consider the list of qualified jurisdictions published through the NAIC Committee Process when determining qualified jurisdictions, and shall provide thoroughly documented justification if approving a jurisdiction not on the NAIC list.

Effective November 1, 2016 *36 O.S. § 5122(F)(2) & (3)*

SB 1488 – Qualified Jurisdictions

- In order to determine whether the domiciliary jurisdiction of a non-U.S. assuming insurer is eligible to be recognized as a qualified jurisdiction, the Commissioner shall:
  - Evaluate the appropriateness and effectiveness of the reinsurance supervisory system of the jurisdiction, and
  - Consider the rights, benefits, and the extent of reciprocal recognition afforded by the non-U.S. jurisdiction to reinsurers from the U.S.
- A qualified jurisdiction shall agree to share information and cooperate with the Commissioner with respect to all certified reinsurers domiciled within that jurisdiction.

SB 1488 – Qualified Jurisdictions

- A jurisdiction shall not be recognized as a qualified jurisdiction if the Commissioner finds that the jurisdiction does not adequately and promptly enforce U.S. judgments and arbitration awards.
- Accredited U.S. jurisdictions shall be qualified jurisdictions.
- If a certified reinsurer's jurisdiction ceases to be a qualified jurisdiction, the Commissioner may suspend the reinsurer's certification indefinitely, in lieu of revocation.
- The Commissioner shall assign a rating to each certified reinsurer and publish a list of all certified reinsurers and their ratings.

Effective November 1, 2016 *36 O.S. § 5122(F)(3) and (4)*

SB 1488 – Security

- Certified reinsurers must secure obligations at a level to be set out in regulations.
- Security must be in a form acceptable to the Commissioner and either consistent with 36 O.S. § 5123 or in a multibeneficiary trust as set out in 36 O.S. § 5122(E).
- If a certified reinsurer uses a multibeneficiary trust to secure its obligations, it must maintain separate trust accounts for obligations incurred as a certified reinsurer with reduced collateral requirements and for its obligations subject to 36 O.S. § 5122(E).

Effective November 1, 2016

36 O.S. § 5122(F)(5)(a) & (b)

SB 1488 – Security

- The minimum trusteed surplus requirements of § 5122(E) are not applicable for securing obligations incurred under § 5122(F), except that such trust shall maintain minimum trusteed surplus of $10,000,000.
- For obligations incurred under § 5122(F), if the security is insufficient, the Commissioner shall reduce the allowable credit by an amount proportionate to the deficiency.

Effective November 1, 2016

36 O.S. § 5122(F)(5)(c) & (d)

SB 1488 – Certified Reinsurers

- If an applicant for certification has been certified in another NAIC accredited jurisdiction, the Commissioner may defer to that certification and the rating assigned by that jurisdiction, and such assuming insurer shall be considered a certified reinsurer in Oklahoma.
- A certified reinsurer that ceases to assume new business in Oklahoma may request inactive status.
- A revoked, suspended, surrendered, or inactive certified reinsurer shall be required to secure 100% of its obligations, unless it is in suspended or inactive status and the Commissioner continues to assign a higher rating.

Effective November 1, 2016 *36 O.S. § 5122(F)(6), (7), & (8)*

SB 1488 – Revocation or Suspension

- If the Commissioner is going to revoke or suspend a reinsurer's accreditation or certification, it is entitled to notice and opportunity for hearing, unless:
  - The reinsurer waives its right to hearing,
  - The action is based on regulatory action in the reinsurer's domiciliary jurisdiction, or
  - The Commissioner finds that an emergency requires immediate action
- While suspended, no reinsurance contract issued or renewed after the suspension qualifies for credit unless secured according to 36 O.S. § 5123. If revoked, credit only allowed if secured according to §§ 5122(F)(5) or 5123.

Effective November 1, 2016 *36 O.S. § 5122(J)*

SB 1488 – Commissioner Notification

- A domestic ceding insurer shall notify the Commissioner within 30 days if
  - its reinsurance recoverables from any single reinsurer or group of affiliated reinsurers exceeds, or is likely to exceed, 50% of its surplus, or
  - It cedes, or is likely to cede, to any single reinsurer or group of affiliated reinsurers, more than 20% of its gross written premium in the prior calendar year.

SB 1488 – Rules

- The Commissioner may adopt rules applicable to reinsurance arrangements for:
  - Life insurance policies with guaranteed nonlevel gross premiums or guaranteed nonlevel benefits,
  - Universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period,
  - Variable annuities with guaranteed death or living benefits,
  - Long-term care insurance policies, or
  - Such other life and health insurance and annuity products as to which the NAIC adopts model regulatory requirements with respect to credit for reinsurance.

Effective November 1, 2016 *36 O.S. § 5124(B)(1)*

SB 1488 – Rules

- These rules adopted by the Commissioner shall not apply to cessions to a reinsurer that:
  - Is certified in Oklahoma, or
  - Maintains at least $250,000,000 in capital and surplus and is
    - Licensed in at least 26 states, or
    - Licensed in at least 10 states and is licensed or accredited in a total of at least 35 states.

HB 2510 – Open Records

- In an otherwise public record, Social Security numbers may be kept confidential regardless of the person's status as a public employee or private individual and may be redacted or deleted prior to release of the record by the public body.

2016 STATUTE CHANGES

Uninsured Motorists

HB 2473 – Insurance Verification

- *Old Law*: If, during a traffic stop or accident investigation, a driver does not produce a valid security verification form, they shall be issued a citation for failure to comply with the Compulsory Insurance Law.
- *New Law*: If the driver fails to produce the security verification form, the law enforcement officer shall access information from the online verification system to establish compliance with the Compulsory Insurance Law and shall not issue a citation if compliance is established.

Effective November 1, 2016

47 O.S. §§ 7-600.2 & 7-606

SB 1335 – License Plate Seizure Program

- Allows license plates seized from uninsured drivers to be stored at the municipal police department if the plate is seized by municipal police.
- If, within 2 days after citation, a person can provide proof they had insurance at the time they were cited, they shall not be required to pay the normal $125 administrative fee when recovering the plate from law enforcement.
  - If no proof presented in that time, the person must pay the fee even if they did have insurance at the time of citation.
- Allows for a multi-year contract to provide temporary insurance under the program. Currently a one-year contract.

Effective November 1, 2016 *47 O.S. §§ 7-606, 7-625, & 7-626*

SB 359 – License Plate Scanners

- Creates the Uninsured Vehicle Enforcement Program to be implemented by the District Attorneys of Oklahoma.
- Participating law enforcement agencies may use automatic license plate reader systems to enforce Oklahoma's Compulsory Insurance Law.
- Allows for access to the Oklahoma Compulsory Insurance Verification System (OCIVS) operated by DPS to establish compliance.
- Any data collected and stored pursuant to the program shall be considered evidence if noncompliance is confirmed.

Effective August 25, 2016

47 O.S. §§ 7-606.1

SB 359 – License Plate Scanners

- Data shall be retained when being used as evidence. When no longer needed as evidence, data shall be deleted or destroyed.
- Data shall not be used for purposes other than enforcement of the Compulsory Insurance Law or as permitted by law.
- No law enforcement agency or other entity authorized under the program shall sell captured license plate data or share it for any purpose not expressly authorized by the program.
- All data collected, retained, or shared, except that retained as evidence of a violation, shall be exempt from the Oklahoma Open Records Act.

Effective August 25, 2016

47 O.S. §§ 7-606.1

SB 359 – License Plate Scanners

- The program shall not be implemented until the Department of Public Safety verifies that:
  - At least 95% of the personal lines auto insurance market in Oklahoma participates in OCIVS using a real time web portal system, and
  - OCIVS is updated to allow the program to be implemented without interrupting or impeding any other lawful uses of the system.
- The District Attorneys Council is required to publish an annual report by September 1 of each year evaluating the program operations.
  - To be submitted electronically to the Senate President Pro Tempore, Speaker of the House, and the chairs of the House and Senate Appropriations Committees.

Effective August 25, 2016

47 O.S. §§ 7-606.1

SB 359 – Diversion Programs

- Each district attorney may create a diversion program for uninsured driving complaints, taking into consideration:
  - Whether the criminal complaint alleges an offense of failure to maintain required insurance,
  - Whether it is in the best interest of the accused to be processed in the diversion program,
  - Prospects for adequate protection of the public,
  - The number of criminal complaints previously received against the defendant,
  - Whether other criminal complaints are pending for the defendant, and
  - Strength of the evidence in the particular criminal complaint.

Effective August 25, 2016

47 O.S. §§ 7-606.2

SB 359 – Diversion Programs

- Upon referral to the diversion program, a notice of the complaint shall be mailed to the last known address of the record owner of the vehicle, and contain:
  - The date of the alleged violation,
  - A statement of the penalty,
  - A statement that the owner is not in compliance with the law and they have been referred to the diversion program, and
  - The date before which the owner must contact the DA.
- If the owner fails to comply with the letter, the DA may file the information and proceed with the prosecution.

Effective August 25, 2016

47 O.S. §§ 7-606.2

SB 359 – Diversion Agreements

- The DA may enter into a written agreement with the owner to defer prosecution for a period not to exceed 2 years with the following conditions:
  - The owner shall provide insurance verification upon request, and
  - The owner shall comply with the Compulsory Insurance Law for the duration of the agreement.
- Each diversion agreement shall include a provision requiring the owner to pay a fee to the DA or District Attorneys Council (DAC) equal to the amount that would have been paid in court costs.

Effective August 25, 2016

47 O.S. §§ 7-606.2

SB 359 – Diversion Fees

- Additional fee of $20 to the DAC:
  - $5 used in processing the payment,
  - $10 to operate and maintain OCIVS,
  - $5 to the Oklahoma Pension Improvement Revolving Fund.
- If the owner furnishes proof that the required insurance was in effect at the time of the alleged violation, no fees shall be required.
- DAC annual report to the Governor, President Pro Tempore of the Senate, Speaker of the House, and chairs of the House and Senate Appropriations Committees:
  - Number of cases, fees collected, and total cost of the program.

Effective August 25, 2016

47 O.S. §§ 7-606.2

2016 STATUTE CHANGES

Bail Bonds

HB 2922 – Terminology Clean Up

- Clarifies confusing uses of the terms "surety" and "insurer."
  - "Insurer" now defined as any surety company, multicounty agent bondsman, or professional bondsman.
  - "Surety" now used only to describe a surety company or surety bondsman.
- "Multicounty agent bondsman" inserted into the code where appropriate.
- References to new Section 1341 inserted where appropriate.

HB 2922 – Investigation Files

- *Old Law*: Open bail bondsman investigative files were confidential. Closed files were public record.
- *New Law*: All bail bondsman investigative files are confidential and not subject to open records request.
- Treats OID investigations of bail bondsmen the same as investigations of agents, adjusters, and brokers.
- Exception: If properly ordered by a hearing examiner, the Commissioner, a judge, or legislative committee.
- Final administrative actions are always open records.

Effective November 1, 2016 *59 O.S. § 1302(C)*

HB 2922 – Pro Bondsman Licensing

- An applicant for a professional bondsman license shall have been continuously licensed as a surety, cash, or property bondsman in Oklahoma for a minimum of 2 years immediately prior to the date of application.
- A professional bondsman license is an advanced license type that should require a certain level of experience in the industry.

Effective November 1, 2016

59 O.S. § 1306(A)(2)

HB 2922 – Prohibited Conduct

- Now a violation to submit an "uncollected" check or EFT to the Department.
  - Already a violation for "insufficient" checks or EFT's
- Now a violation to fail to accept or claim a certified mailing from any district or municipal court clerk.
  - Already a violation to fail to accept or claim certified mail from the Department
- Subject to censure, suspension, revocation, or denial of a license, or a fine of $250 - $2,500.

Effective November 1, 2016

59 O.S. § 1310(A)(29) & (32)

HB 2922 – Suspended or Former Bondsmen

- *Current Law*: It is a felony to perform the acts of a bondsman without a license or to aid another in performing the acts of a bondsman without a license.
- *Current exception*: A suspended or revoked bondsman may contract with a licensed bail enforcer to apprehend and surrender clients.
- *New exception*: A suspended or formerly licensed bondsman may continue to submit monthly reports to the Department in order to monitor his or her outstanding liability.

Effective November 1, 2016 *59 O.S. § 1311.3(C)*

HB 2922 – Assisting a Bondsman

- *Current Law*: A bondsman may assist another bondsman in apprehending and surrendering clients if he or she has been a licensed bondsman for at least 5 years prior to July 1, 2014 (effective date of the law).
- *New Law*: May assist if he or she:

  (1) has been continuously licensed as a bondsman in Oklahoma for at least 5 years immediately prior to providing assistance, or
  (2) is duly appointed by the same insurer as the licensed bondsman seeking assistance (already allowed within the 90-day window pursuant to 59 O.S. § 1332(C)(2)).
- The burden is on the bondsman seeking assistance to verify the assisting bondsman's eligibility.

Effective November 1, 2016 *59 O.S. § 1311.4*

HB 2922 – Records Retention

- *Current Law*: A bondsman must maintain all usual and customary records at his or her place of business for 3 years following "the date of the transaction."
- *New Law*: Records must be maintained for 3 years following (1) the date the liability of the bondsman on the bond is discharged by the court or (2) the date collateral is returned by the bondsman to its lawful owner, whichever is later.
- If an appearance bond is never executed and filed with the court, then records must be maintained for 3 years following the date the documents were prepared.

Effective November 1, 2016

59 O.S. § 1314(C)

HB 2922 – Documents to Payors

- In addition to providing a payor or indemnitor with a proper receipt, a bondsman must also provide them copies of any agreements executed relating to the appearance bond.

Effective November 1, 2016

59 O.S. § 1316(C)

HB 2922 – Appointment Forms

- "If ~~the surety changes the liability limitations of the surety bondsman or the managing general agent, or any other provisions of the appointment~~ there is a change in any information submitted by the insurer on the appointment form, the ~~surety~~ insurer shall submit an amended appointment form . . . ."

Effective November 1, 2016

59 O.S. § 1317(A)

HB 2922 – Carrying A License

- "Any bail bondsman engaged in the apprehension or surrender of his or her defendant client, and any bail bondsman assisting another bondsman pursuant to Section 1311.4 of this title, shall at all times while engaged in the apprehension or surrender of the defendant client have his or her bail bondsman license in his or her possession and shall present the license to any law enforcement officer immediately upon request."

Effective November 1, 2016

59 O.S. § 1328(C)

SB 976 – MCA Requirements

- An applicant for a MCA license shall have been continuously licensed as a professional bondsman for at least 2 years without suspension or having any unpaid forfeitures prior to the date of application.
- Unpaid forfeitures means forfeitures for which the professional bondsman has been subject to a final administrative action by the Department for not paying the forfeiture within the appropriate time period.

SB 976 – Deferred Prosecutions

- When a deferred prosecution is granted as provided by law, the undertaking and bondsman and insurer shall be exonerated from further liability.

2016 RULE CHANGES

Rules

Chapter 1 – Administrative Operations

365:1-9-18. Bail bond forms

- Language is updated to include multicounty agent bondsmen, a new license type created in 2014.

Chapter 10 – Life, Accident and Health

365:10-1-8. Proof of loss [REPEALED]

- The proof of loss definition is repealed because the statute it is based on, 36 O.S. § 1219, no longer includes proof of loss language.

365:10-1-17. Life, accident, and health form filings [NEW]

- Specifies the procedures for submitting life, accident, and health form filings to the Oklahoma Insurance Department. The rule requires form filings to be made through the System for Electronic Rate and Form Filing (SERFF) pursuant to the SERFF General Instructions.

Chapter 10 – Life, Accident and Health

365:10-31-6. Individual navigator requirements

365:10-31-7. Navigator entity requirements

- The rules are aligned with new laws passed in 2015 which allow for only "on-site" inspections of operations and records of navigators and navigator entities.
- The new laws also only allow for "summary" reports from navigators and navigator entities.
- The reports may exclude personally identifiable information.

Chapter 15 – Property and Casualty

365:15-1-3.1. Workers' compensation optional deductible form

- The rule is fully reworked to give greater clarity to the mandatory offer of an optional deductible required by 85A O.S. § 95.
- The requirement may be satisfied by the offer of a small deductible, or by mutual agreement between an applicant and insurer to a large or mega deductible, as defined in this rule.
- Such selection shall be evidenced by signature of the applicant employer on the Commissioner's designated Acceptance/Rejection Form (Appendix B of Chapter 15)

Chapter 15 – Property and Casualty

365:15-1-3.1. Workers' compensation optional deductible form

- "Deductible" means a policy provision or endorsement that obligates the insured employer to reimburse the insurer for any portion of that claim that is part of the deductible.
- "Small Deductible": combined medical benefits and indemnity claims deductible of $1,000; $2,000; $3,000; $4,000; or $5,000 per claim.
- "Large Deductible": combined deductible greater than $5,000 but not more than $100,000 per claim.
- "Mega Deductible": combined deductible greater than $100,000 per claim.

Chapter 15 – Property and Casualty

365:15-1-3.1. Workers' compensation optional deductible form

- Obligations if a deductible is selected:
  - Insured employer liable for the amount of the deductible for benefits paid for each compensable claim.
  - Insurer shall pay deductible amount to the person or medical providers entitled to the benefits, and seek reimbursement from the insured employer.
  - Insured employer must reimburse the insurer within 60 days of a written demand. If not, the insurer may seek to recover the full amount of the claim from the insured employer and the nonpayment of deductible amounts shall be treated in the same manner as nonpayment of premiums.

Chapter 15 – Property and Casualty

365:15-1-3.1. Workers' compensation optional deductible form

- Experience modification for small deductibles:
  - Premium reduction determined after the application of any experience modification, premium surcharge, or premium discounts.
  - Benefits paid by the insured employer with a small deductible **shall not be** charged against the experience of the employer.
- Experience modification for large or mega deductibles:
  - Premium reduction determined after the application of any experience modification, premium surcharge, or premium discounts.
  - Benefits paid by the insured employer with a large or mega deductible **shall be** charged against the experience of the employer.

Chapter 15 – Property and Casualty

365:15-1-3.2. Financial requirements – mega deductible workers' compensation policies [NEW]

- Each mega deductible workers' compensation policy (MDWC) collateralized by the policyholder.
- Collateral allowed:
  - Assets admissible under Article 16 of Title 36,
  - Surety bond from an insurer with financial strength and size ratings from A.M. Best of not less than "A" and "V" respectively,
  - An irrevocable letter of credit, or
  - Guaranty of a parent or affiliated entity that has (1) been engaged in business for $\geq$ 3 years, (2) $\geq$ 100 employees and (3) $\geq$ $1m in net assets

Chapter 15 – Property and Casualty

365:15-1-3.2. Financial requirements – mega deductible workers' compensation policies [NEW]

- Collateral must be under the direct control of the insurer and held for the express and sole purpose of securing the policyholder's obligations.
- Shall not be commingled with the assets of the insurer.
- Claims information must be maintained for $\geq$ 6 years.
- Policyholders or their agent not allowed to administer claims
- Failure to post collateral or reimburse deductible obligations are grounds for cancellation with 10 days notice.

Chapter 15 – Property and Casualty

365:15-1-3.2. Financial requirements – mega deductible workers' compensation policies [NEW]

- Insurers must obtain an audited financial statement of the policyholder prior to issuing a MDWC.
  - Policyholder's aggregate deductible obligation can be no more than 20% of its total net worth.
- If the policy covers affiliated employers, it must provide that deductible reimbursements are the sole obligation of the policyholder, unless the affiliated entity has given consent.
- No MDWC for a professional employer organization, as defined in 40 O.S. § 600.2, which is affiliated with the insurer.

Effective September 15, 2016

Chapter 15 – Property and Casualty

365:15-1-3.2. Financial requirements – mega deductible workers' compensation policies [NEW]

- An insurer is exempt from almost all requirements if it has an A.M. Best rating of A- or above, or other comparable rating, and either:
  - Has at least $200 million in policyholder surplus, or
  - Has been exempted by the Commissioner.
- An insurer in hazardous financial condition may not issue or renew a MDWC policy.

Chapter 15 – Property and Casualty

365:15-1-3.2. Financial requirements – mega deductible workers' compensation policies [NEW]

- Additional hazardous financial condition triggers:
  - Insurer fails to perform quarterly review of sufficiency of the collateral,
  - Insurer issues a MDWC policy without a specific dollar amount of deductible per claim, and, if applicable, in the aggregate,
  - Insurer fails to include an actuarially supported calculation of the total owed by the policyholder through ultimate loss development,
  - Insurer fails to maintain collateral for 100% of liability, or
  - Insurer fails to maintain or produce, at the Department's request, gross and net premium data and first dollar loss data for each MDWC policy.

Chapter 15 – Property and Casualty

365:15-1-3.2. Financial requirements – mega deductible workers' compensation policies [NEW]

- Insurers shall provide separate documentation to the policyholder explaining the financial responsibility of both the insurer to pay all covered claims and the policyholder to reimburse the insurer for deductible amounts paid by the insurer.
- Insurers shall report statistics under each MDWC policy to a statistical agency designated by the Commissioner. Claims paid within the deductible amount reported gross of payments under the deductible.

Chapter 15 – Property and Casualty

365:15-1-25. Loss runs and claims history [NEW]

- 36 O.S. § 1204.1 requires P&C insurers and advisory boards or advisory organizations to make loss runs or claims history available to policyholders within thirty (30) days upon a written request by the policyholder.
- Any such loss runs or claims history which cover multiple years shall indicate:
  - the insurer,
  - policy number,
  - effective date, and
  - date of expiration or cancellation of such coverage.

Chapter 25 – Other Licensees

365:25-3-1. Insurance producers continuing education

- *Current Rule*: Producer CE not allowed for courses in:
  - Insurance company specific prospecting, motivation, sales techniques, psychology, recruiting, or
  - Any topic not related to the insurance license.
- *New Rule*: Producer CE not allowed for courses in:
  - Insurance company specific prospecting or sales techniques,
  - Any course in motivation, psychology, or recruiting, or
  - Any topic not related to the insurance license.

Chapter 25 – Other Licensees

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

- *Current Rule*: Adjuster CE not allowed for courses in:
  - Insurance company specific prospecting, motivation, sales techniques, psychology, recruiting, time management, or phone etiquette,
  - Basic pre-licensing principles, or
  - Any topic not related to the adjuster license.
- *New Rule*: Adjuster CE not allowed for courses in:
  - Insurance company specific prospecting or sales techniques,
  - Any course in motivation, psychology, or recruiting, or
  - Any topic not related to the adjuster license.

Chapter 25 – Other Licensees

365:25-5-34. Professional and multicounty agent bondsman deposits

- Updates language to include multicounty agent bondsmen where appropriate.

365:25-5-36. Monthly reports

- Updates language to include multicounty agent and professional bondsmen where appropriate.

Chapter 25 – Other Licensees

365:25-5-37. Usual and customary records

- Clearly defines when a bondsman must maintain a record. Mirrors language passed this year in HB2922.

365:25-5-40. Computation of time in 59 O.S. § 1332

- Updates language to include multicounty agent bondsmen where appropriate.

Chapter 25 – Other Licensees

365:25-5-42. Professional/multicounty agent bondsman net worth

- Updates language to include multicounty agent bondsmen where appropriate.

365:25-5-47. Financial statement required

- Updates language to include multicounty agent bondsmen where appropriate.

365:25-5-48. Acts of a bail bondsman

- Fixes a small typo

Chapter 25 – Other Licensees

365:25-7-23, 24, & 26

- Include new references to the required Form F Enterprise Risk Report filing.

365:25-7-29.2. Enterprise risk report [NEW]

- The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to Section 1654(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.

Appendix AA. Form F [NEW]

- Sets out the new Form F.

Chapter 40 – Health Maintenance Organizations (HMO)

365:40-5-42. Individual conversion contracts

- Does away with the requirement that an HMO offer individual conversion contracts to its subscribers.
- No longer necessary because of "guaranteed issue" requirements in federal law.