



Frequently Asked Questions

How long will the IBT process take?

The Department anticipates that the IBT process should take approximately 9 to 12 months from the first informal contact from a prospective applicant until District Court approval. Major milestones in the process include the following (days listed are for illustration only):

- Day 1: First contact from parties regarding a proposed transaction
- Day 45: After initial meeting with the Department and subsequent dialogue, the applicant submits the preliminary IBT plan and IE nominations. The \$10,000 processing fee is paid by the applicant.
- Day 60: Commissioner selects the IE. The applicant then provides the IE with the preliminary IBT plan for review.
- Day 110: After preliminary questions and challenges from the Department, the applicant submits an updated, substantially complete plan which includes the letter of approval or non-objection from the transferring company's domiciliary regulator
- Day 140: IE report is submitted
- Day 195: After challenges to the plan and IE report, and updates to the plan by the applicant, Commissioner approves and provides written authorization to proceed with District Court petition
- Day 225: Applicant files petition in District Court
- Day 250: Hearing scheduled
- Day 265: Notice of hearing sent to required parties – 60-day comment period begins
- Day 335: Hearing in District Court
- Day 360: Court approval via order

Is there a formal application required to initiate the IBT process?

The Department has not created a template for an IBT application, but has released guidance setting forth all the information the Department expects to review as part of the IBT process. This guidance can be found [here](#).

What is the cost for companies wishing to engage in an IBT?

The initial application fee is set by statute at \$10,000, and is due at the time the application is considered “filed” by the Department (see timeline above). Additionally, applicants will be responsible for reimbursing the Department for any compensation and benefits paid to the personnel of the Department for time spent engaged in the proceedings. Applicants will also be required to bear the cost of any other professionals and specialists retained to assist Department personnel in connection with the review required by the IBT Act. All costs are due within 30 days after demand.

Does Oklahoma law permit the use of protected cells for insurers?

The Oklahoma Captive Insurance Company Act (36 O.S. §§ 6470.1–6470.33) allows for the use of protected cells by captive insurers, and the IBT Act permits captive insurers to assume business under the act (§ 1683(3)). However, Oklahoma law does not provide for the use of protected cells for admitted insurers. Understanding that the use of protected cells may increase interest in the utilization of the IBT Act, the Department is strongly considering requesting that the Oklahoma Legislature consider enacting specific protected cell legislation in 2019.

What physical presence is required of a newly-formed or re-domesticated insurer in Oklahoma?

While there is no specific physical presence requirement for Oklahoma domestic insurers, 36 O.S. § 606.1 requires such a company to “designat[e] its principal place of business at a location in [Oklahoma].” A captive insurance company must “[m]aintain a place of business in this state designated as its registered office.” 36 O.S. § 6470.3(B)(2)

Is there an email address associated with the IBT process that I can submit questions to?

Yes, any inquiries may be directed to IBT@oid.ok.gov. You may also contact Andrew Schallhorn, Deputy Commissioner of Financial Regulation, at Andrew.Schallhorn@oid.ok.gov or 405-522-4969.

Are there any specific lines of business that cannot be transferred in an IBT?

The law is very permissive regarding the lines of business that may be transferred in an IBT with seemingly no line off limits. However, the Department understands that certain lines, like long-term-care insurance, will require a greater level of scrutiny based on the history of those products. While all IBT applications will receive the proper due diligence, some lines of business will receive a more in-depth review than others, and applicants wishing to include these lines in an IBT plan should be prepared for such additional scrutiny.

Will the Department be issuing any formal rules or regulations?

The Department has no plans to promulgate rules at this time, but our informal guidance document, intended to assist applicants in understanding how the Department will review these transactions, can be found [here](#).

Are documents submitted with an IBT application considered confidential?

Certain documents that may be submitted with an IBT application are otherwise specifically confidential by law – for example: RBC Reports (§ 1529) or any actuarial work or work papers supporting a Statement of Actuarial Opinion (§ 1126). Such documents shall retain their confidential status when submitted as part of an IBT application.

Further, the Department considers the review of an IBT application to be an “analysis by the Commissioner or any other person of the financial condition or market conduct of a company” and therefore any “working papers, recorded information, documents . . . and copies thereof produced by, obtained by or disclosed to the Commissioner or any other person . . . shall be given confidential treatment and are not subject to subpoena.” 36 O.S. § 309.4(F)