

RULE IMPACT STATEMENT

1. Rules

Proposed PERMANENT rules:

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|---------------|--|
| Subchapter 15 | Captive Insurance Companies Regulation |
| 365: 25-15-2 | Annual Reporting requirements [AMENDED] |
| 365:25-15-3 | Annual Audit [AMENDED] |
| 365:25-15-9 | Executive officers and directors [AMENDED] |
| 365:25-15-13 | Change of Business [AMENDED] |
| 365:25-15-23 | Dormant captive insurance companies [AMENDED] |
| 365:25-15-24 | Severability [REVOKED] |
| Subchapter 17 | Consumer Protection in Annuity Transactions Regulation |
| 365:25-17-3 | Authority [REVOKED] |
| Subchapter 29 | Pharmacy Benefits Managers |
| 365:25-29-8 | PBM to file certain financial statements with the Commissioner |
| [AMENDED] | |
| 365:25-29-10 | Penalty for noncompliance [AMENDED] |

2. PURPOSE

365:25-15-2 is added to assist us when competing to obtain new captives, it also adds incentives for smaller captives.

365:25-15-3 is adjusted to ensure our rules correlate with statutory references (36O.S. § 6470.24.1)

365:25-15-9 is added for continuity purposes

365:25-15-13 is added to ensure OID is always updated on any changes related to business plans.

365:25-15-23 language is removed as it is specifically allowed in The Captive Act. Clarifies language and authority of OID if dormant captives have not resumed business after a five (5) year period. Added language for continuity purposes and to align with statute.

365:25-15-24 removes unnecessary language pursuant to Governors Executive Order on rule regulation (EO2020-03).

365:25-17-3 removes unnecessary language pursuant to Governors Executive Order on rule regulation (EO2020-03).

365:25-29-8 date is changed to give the PBM more time for an audited financial statement.

365:25-29-10 updated to include PBM and align with other response timeframes in the insurance code.

3. CLASSES AFFECTED:

- a. Insurance companies
- b. Captive Insurance Companies
- c. Consumers
- d. Licensed Pharmacy Benefit Managers

- e. Health Insurers
- f. Oklahoma Insurance Commissioner
- g. Pharmacies and Pharmacists
- h. Public

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

Unknown

5. CLASSES BENEFITTED:

- a. Consumers
- b. Insurance companies
- c. Captive Insurance Companies
- d. Pharmacies and Pharmacists

6. ECONOMIC IMPACT:

Unknown

7. PROBABLE COST TO AGENCY AND EFFECT ON STATE REVENUES:

Limited to no affect

8. SOURCE OF REVENUE:

Limited to no affect

9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:

Expanded dormancy allowability could offer reduced Premium Tax and minimum C/S amounts for a period of time.

10. EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

Limited to no affect

11. LESS COSTLY/LESS INTRUSIVE METHODS:

Limited to no affect

12. EFFECT ON PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF RULE NOT IMPLEMENTED:

Limited to no effect.

13. EFFECT ON SMALL BUSINESS

Implementation of the proposed rule will not have an adverse effect on small business as

provided by the Oklahoma Small Business Regulatory Flexibility Act.

14. DATE PREPARED

November 4, 2020