

## RULE IMPACT STATEMENT

### 1. Rules

#### Proposed PERMANENT rules:

|  |   |
|--|---|
| Subchapter 3<br>Product Warrantors<br>365:25-3-15          | Producers, Brokers, Limited Lines Producers and Vehicle Protection<br>Variable product licensing [AMENDED]            |
| Subchapter 7<br>Part 5<br>365:25-7-23                      | Companies<br>Oklahoma Insurance Holding Company System Regulatory Act<br>Forms: general requirements [AMENDED]        |
| Subchapter 9<br>365:25-9-3                                 | Prepaid Funeral Benefits<br>Forms [AMENDED]   |
| Subchapter 15<br>365:25-15-23                              | Captive Insurance Companies Regulation<br>Dormant captive insurance companies [AMENDED]                               |
| Subchapter 23<br>365:25-23-2<br>365:25-23-5<br>365:25-23-6 | Cemetery Merchandise Trusts<br>Permit required [AMENDED]<br>Trust fund and trustee [AMENDED]<br>Surety bond [AMENDED] |
| Subchapter 29<br>365:25-29-8<br>[AMENDED]                  | Pharmacy Benefits Managers<br>PBM to file certain financial statements with the Commissioner                          |
| Subchapter 31<br>365:25-31-1<br>365:25-31-2                | Reduced Premium Tax Rate for Key Persons [NEW]<br>Purpose [NEW]<br>General requirements [NEW]                         |
| Appendix C   | Prepaid Funeral Benefits Permit Original Application [REVOKED]  |
| Appendix D   | Fidelity Bond [REVOKED]   |
| Appendix M<br>[REVOKED]                                    | Application for Renewal of Prepaid Funeral Benefits Permit  |
| Appendix R<br>[REVOKED]                                    | Conversion from Pre-Paid Funeral Trust to Insurance Funded Contracts  |
| Appendix X   | Sellers Notice to the Insurance Commissioner [REVOKED]  |
| Appendix Y   | Assumption Affidavit [REVOKED]  |

### 2. PURPOSE

|              |   |
|--------------|---|
| 365:25-3-15  | Updates the exam required for Variable product license.   |
| 365:25-7-23  | Updates Address for Insurance Department.   |
| 365:25-9-3   | Updates the requirements for prepaid funeral benefits permit and the forms associated.  |
| 365:25-15-23 | Updates Captive Insurance Companies Regulations to match statutory changes from 2021.   |
| 365:25-23-2  | Updates the application process for cemetery merchandise trusts and adds language to match the statutory fee requirements previously set. |
| 365:25-23-5  | Adds that any changes to a trust agreement must be submitted to the Commissioner prior to changing.                                       |
| 365:25-23-6  | Sets bond form requirements for surety bonds.   |

365:25-29-8 Ensures that PBM financial statements are audited by an independent CPA and allows for those statements to be submitted by May 1<sup>st</sup>.

365:25-31-1 Sets forth the purpose and applicability of reduced premium tax rate of Key Persons as set forth in 36 O.S. § 624(A)(2)(a) and (b).

365:25-31-2 Sets forth the general requirements for eligibility.

Appendix C Updates rules to clarify that the documents required shall be submitted in accordance with the forms and in the manner prescribed by the Commissioner on the Departments website.

Appendix D Updates rules to clarify that the documents required shall be submitted in accordance with the forms and in the manner prescribed by the Commissioner on the Departments website.

Appendix M Updates rules to clarify that the documents required shall be submitted in accordance with the forms and in the manner prescribed by the Commissioner on the Departments website.

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**3. CLASSES AFFECTED:**

- a. Variable Product Licensees
- b. Captive Insurance Companies
- c. Consumers
- d. Licensed Pharmacy Benefit Managers
- e. Insurance Companies
- f. Oklahoma Insurance Commissioner
- g. Cemetery Merchandise Trusts
- h. Prepaid Funeral Benefit permit holders

**4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:**

Little to none

**5. CLASSES BENEFITTED:**

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

**6. ECONOMIC IMPACT:**

Little to none

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

Little to none

**8. SOURCE OF REVENUE:**

Companies paying premium tax, application, or licensing fees.

**9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:**

Fee structure is comparable to our region and is in existing statute.

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

Little to none.

**11. LESS COSTLY/LESS INTRUSIVE METHODS:**

None.

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

Little to none.

**13. EFFECT ON SMALL BUSINESS:**

Little to none.

**14. DATE PREPARED:**

November 29, 2021