



December 9, 2021

Dear Interlocal:

As you know, Interlocals are required to file an audited financial statement with the Oklahoma Insurance Department within 180 days after the end of your fiscal year (36 O.S. § 607.1). Failure to file a timely report may result in a \$500 per day fine. Those statements are public documents and will be posted on the Department's website. The financial statement must include:

1. The report of an independent certified public accountant in accordance with accounting principles generally accepted in the United States of America;
2. A balance sheet reporting assets, liabilities and equity;
3. A statement of operations;
4. A statement of cash flows;
5. A statement of changes in assets, liabilities and equity; and
6. Footnotes to financial statements.

Additionally, Senate Bill 738 (2021) now includes a process in which if the Insurance Commissioner has reason to believe that any insurer subject to this section is insolvent, or if any such insurer's condition is such as to render the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance, or it has exceeded its power, or it has failed to comply with the law, or if such insurer gives its consent the Commissioner will take the following actions: 1) notify the insurer and its participating members of the Commissioner's determination; 2) require the insurer to file with the Department a written plan of action to abate the Commissioner's determination within thirty (30) days of notification; and 3) notify the insurer if the Commissioner makes a further determination to supervise pursuant to this section of law. An insurer subject to this section shall comply with the lawful requirements and, if placed under supervision, shall have ninety (90) days from the date of notice, within which to comply with the requirements of the Commissioner unless the Commissioner designates a lesser or greater period of time or unless the Commissioner determines at any time during or after the ninety-day period of time that judicial or administrative proceedings should be initiated to place such insurer in conservation, rehabilitation, or liquidation proceedings or other delinquency proceedings as allowed by law.

If you need to submit or update your Interlocal primary contact, please do so through the [Interlocal Contact Form](#).

Sincerely,

Glen Mulready  
Insurance Commissioner