



OKLAHOMA
INSURANCE
DEPARTMENT

2022 STATUTE & RULE CHANGES



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Regulatory Compliance/ Insurer Operations

HB 3495

Unfair Claims Settlement Act

Effective May 16, 2022

36 O.S. § 1250.5

- The measure contains three changes to the Unfair Claims Settlement Act. The first ensures that consumers have at least 24 months to file a roof claim for a loss due to wind or hail that is not visible without an inspection. The second, ensures that when an insurer requests a refund of all or a portion of a payment, they must do so within 12 months if recouping from a claimant and 18 months if from a provider. Finally, we updated the HDHP language to address a conflict with the IRS rule related to cost sharing.

HB 4228

Benefit Plan Effective Date

Effective November 1, 2022

36 O.S. § 124

- Requires any measure enacted into law relating to a benefit plan must be incorporated into any benefit plan that is issued or renewed on or after the effective date of the act.

HB 4230

Oklahoma Receivership Office

Effective November 1, 2022

36 O.S. § 1636, 1901, 1918, 1930 & 1938

- Grants the Insurance Commissioner the authority to require insurers in hazardous financial condition to secure and maintain either a deposit or a bond with certain conditions from any affiliate with whom the insurer has services or management agreements with. It clarifies that all records and data held by an affiliate are and remain property of the insurer. The act also clarifies that premiums or other funds collected or held by an affiliate are the exclusive property of the insurer. The measure specifies any affiliate that is party to an agreement or contract with a domestic insurer will be subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer. The act requires the claimant to sign claims and fully comply with any and all requests by the receiver. The measure allows the receivership court to allow alternative procedures and requirements for the filing of proofs of claim or for allowing or proving claims.

It requires a person to be placed on the service list upon written notice to the receiver. Lastly, the measure modifies the procedures of delinquency proceedings and references to the Insurance Commissioner.

HB 4279

OK Market Assistance Program

Effective November 1, 2022

36 O.S. § 6413, 6414, 6415, 6417 & 6418

- The measure modifies the provisions in the plan of operation created by the Board of Directors of the Market Assistance Association. The measure clarifies that amendments to the plan of operation may be made by the Board of Directors of the Market Assistance Association without the approval of the Commissioner. It also modifies the membership requirements of the Board from eleven directors to eight directors with other certain requirements specified in the measure. In approving selections to the Board, the Board of Directors rather than the Commissioner will consider, whether all Association member insurers are fairly represented. The measure also updates statutory references and clarifies which insurers are considered members of OKMAP.

SB 861

Health Benefit Plan

Effective November 1, 2022

36 O.S. § 6060.2

- This measure redefines “health benefit plan” to include a group hospital or medical insurance coverage, a not-for-profit hospital or medical service or indemnity plan, a prepaid health plan, a health maintenance organization plan, a preferred provider organization plan, the State and Education Employees Group Health Insurance Plan, and coverage provided by a Multiple Employer Welfare Arrangement or employee self- insured plan. The measure also updates statutory references of health benefit plans.

SB 979

Reinsurers

Effective November 1, 2022

36 O.S. § 607

- Authorizes domestic, foreign, and alien insurance companies owned or financially controlled in whole or in part by another state of the United States, a foreign government or any political subdivision thereof to only apply for a certificate of authority as a reinsurer. Such entities must establish and maintain a regional home office in the state as well as maintain a security deposit with a bank located in the state, and employ Oklahomans.

SB 1240

Insurance Omnibus Bill

Effective November 1, 2022

36 O.S. § 1106.1, 3101, 3105, 3623.1, 5122, 5123, 5124, 6060.21, 6454, 6470.35, 6475.1, 6475.5, 6475.6, 6475.7, 6475.8, 6475.9, 6475.10, 6475.12, & 6475.15

- The measure updates the statutory language for “exempt commercial purchaser” as required by the Consumer Price Index.
- The measure also conforms definitions for “producers” and “motor service club” to reflect existing statutory language as it pertains to motor service clubs.
- It also updates statutory references within the Credit for Reinsurance Act and deletes and modifies obsolete language in the act to comply with federal law.
- The sections impacting health coverage for individuals with Autism are updated to match federal requirements.
- Captive sections are updated with correct citations and clarifying language on dormancy provisions and fees.
- The sections of the uniform health carrier external review act are updated with correct citations.

SB 1241

Insurance Business Transfers

Effective April 29, 2022

36 O.S. § 1683, 1684, 1685, & 1686

- This measure modifies, adds, and updates definitions in the Insurance Business Transfer Act. The measure allows either party, the assuming insurer or the transferring insurer, to begin the application process.
- The measure modifies the requirements for notice under the Insurance Business Transfer Act and allows for electronic transfer of notices. The measure updates the requirements for the application of the Insurance Business Transfer Plan, providing more clarification on the process.
- The measure provides statutory updates to the requirements of the independent expert’s opinion report.
- The measure modifies the petition process for approval and implementation of the Insurance Business Transfer Plan and modifies the judgment and order requirements. It also allows cases to be heard in District Courts located in counties with a population greater than 250,000.
- An unexpired and in-force policy issued to a policyholder who resides in a state other than Oklahoma will not be transferred and novated until the assuming insurer is licensed in the state of the policyholder’s residence.

SB 1242

Captives

Effective November 1, 2022

36 O.S. § 6470.2, 6470.3, 6470.10 & 6470.15

- The measure clarifies that a series captive insurance company may only insure entities outlined in current law and provides that such a company may apply for a certificate of authority as an association captive insurance company, industrial insured captive insurance company, a pure captive insurance company, series captive insurance company, or a special purpose captive insurance company. The measure omits the application of Oklahoma Insurance Code to captive insurance companies carrying out transactions described within the Insurance Code.
- The measure allows captive insurance companies formed or licensed under the Oklahoma Captive Insurance Company Act may establish a series limited liability company under the Oklahoma Limited Liability Company Act.
- The measure updates the term “captive insurance company” to include branch captive insurance companies and series captive insurance companies.

SB 1252

Licensing

Effective November 1, 2022

36 O.S. § 1435.2, 1435.3, 1435.6, 1435.22, 1435.23, 1435.24, 1435.26, 1435.29, 1435.30, & 1435.31

- The measure updates statutory language relating to “customer service representative” and “insurance consultant,” in the Oklahoma Producer Licensing Act by requiring these designations to be licensed as an insurance producer.
- The measure repeals 36 O.S. 2021, Section 1435.24, Section 1435.30, and Section 1435.31.

SB 1806

Bail Omnibus Bill

Effective November 1, 2022

59 O.S. § 1320 and 1327

- The measure provides that a bail bondsman becoming a surety on an undertaking in a particular county will register his or her license with the court clerk and not the county sheriff. The measure also removes the prohibition on a bondsman residing in and officing in the same location. The act strikes the 10-bond limit placed on bondsmen that are not registered in the county. The measure also prohibits any court from issuing an order modifying the terms of a previously set bond unless the order has also been signed by the bail bondsman, bail bondsman surety, or both acknowledging the changes made to the bond prior to the defendant’s release. Failure to provide this notice shall exonerate the bond by operation.

State Government/ OID Operations

SB 1245

Insurance Commissioner Conflict

Effective November 1, 2022

36 O.S. § 302

- This measure expands the list of entities that the Insurance Commissioner is prohibited from having a financial interest in to include any entity that is regulated by the Insurance Department.

SB 1371

Competitive Bid Procedures

Effective November 1, 2022

74 O.S. § 85.7

- This measure exempts consultants or experts of the Insurance Department whose duties pertain to market conduct exams, financial exams and insurance business transfers from certain competitive bidding requirements.

SB 1040

General Appropriations Bill

Effective May 27, 2022

Section 139

- Section 139 of the General Appropriations bill appropriates to the Special Cash Fund of the State Treasury from any monies not otherwise appropriated from the State Insurance Commissioner Revolving Fund (200 Fund) the sum of Seven Million Eight Hundred Thousand Dollars (\$7,800,000.00) for availability of appropriation.

SB 1086

PBM Revolving Fund

Effective May 25, 2022

36 O.S. § 307.6

- This measure amends SB1085 which created a revolving fund for the PBM fees and fines. SB1085 became law on March 14, 2022 and was amended by SB1086 to remove the requirement that the first \$500k be put in the General Revenue Fund.

Permanent Rules

CHAPTER 1

Administrative Operations

Effective September 11, 2022

Subchapter 1. General Provisions

365:1-1-2, 365:1-1-3 & 365:1-1-4

- The adopted rule changes are updates that reflect relevant statutes falling under the jurisdiction of the Commissioner and the Department. They also update the Department's process for open records requests and remove unnecessary regulations in accordance with the Governors EO 2020-03.

CHAPTER 10

Life, Accident and Health

Effective September 11, 2022

Subchapter 1. General Provisions

365:10-1-17 & Appendix PP

- The adopted rule changes update the address for the Department and remove a form which will be updated and placed on the Department's website.

CHAPTER 15

Property and Casualty

Effective September 11, 2022

Subchapter 1. General Provisions

365:15-1-3

- Updates the Department's address.

Subchapter 7. Property and Casualty Competitive Loss Cost Rating Regulation

365:15-7-3

- Updates the Department's address.

CHAPTER 25

Other Licensees

Effective September 11, 2022

Subchapter 3. Producers, Brokers, Limited Lines Producers and Variable Protection Product Warrantors

365:25-3-15

- This new language updates the exam requirements.

Subchapter 7. Companies

365:25-7-23

- Updates the Department's address.

Subchapter 9. Prepaid Funeral Benefits

365:25-9-3

- Updates verbiage about the forms required per this section.

Subchapter 15. Captive Insurance Companies Regulation

365:25-15-23

- Updates references to reflect statutes and clarifies the dormancy process.

Subchapter 23. Cemetery Merchandise Trusts

365:25-23-2, 365:25-23-5, & 365:25-23-6

- Updates the application process for cemetery merchandise trusts and adds language to match the statutory fee requirements, requires changes to a trust agreement to be submitted to the Commissioner prior to making the change, sets bond form and notice requirements for surety bonds.

Subchapter 29. Pharmacy Benefits Managers

365:25-29-8

- This change ensures that PBM financial statements are audited by an independent CPA and allows for those statements to be submitted by May 1st.

Subchapter 31. Reduced Premium Tax Rate for Key Persons

365:25-31-1 and 365: 25-31-2

- Creates a new section which sets forth guidance on reduced premium tax rate of key persons pursuant to statute and also sets requirements for eligibility.

Appendixes

Appendix C, Appendix D, Appendix M, Appendix R, Appendix X, and Appendix Y

- Revocation of these forms, so that we can update and place on the Department's website.

Emergency Rules

CHAPTER 25

Other Licensees

Effective April 25, 2022

Subchapter 7. Companies

365:25-7-65, 365:25-7-66, 365:25-7-67, 365:25-7-68, 365:25-7-70, 365:25-7-72, 365:25-7-73 and 365:25-7-74

- The adopted emergency rules are part of a larger effort to modernize reinsurance regulation in the United States. The NAIC adopted the following changes to the Credit for Reinsurance Model Regulations in conjunction with the Credit for Reinsurance Model Laws to ensure that states are in compliance with the Covered Agreements between the United States and the EU as well as the UK. These agreements were entered into under the authority of the Dodd-Frank Act and the revisions ensure that the States are in compliance and therefore not subject to preemption by the federal government.
- Due to a change in the timeline nationally and a requirement to have these rules in place by July 2022, to prevent preemption of the Federal Government, we adopted the attached emergency rule to comply with Federal law. The Department will work to promulgate permanent rule in the 2023 legislative session.

