

RULE IMPACT STATEMENT

1. RULES

Proposed PERMANENT rules:

- Subchapter 3. Producers, Brokers, Limited Lines Producers and Vehicle Protection Product Warrantors [AMENDED]
- 365:25-3-13. Surplus line insurance with non-admitted insurer; approval prior to issuance; collection and remittance of taxes; claims for tax adjustments; procedures; forms [AMENDED]
- 365:25-3-22. Service warranty financial statement filing and fees [NEW]
- Subchapter 7. Companies
- Part 5. Oklahoma Insurance Holding Company System Regulatory Act
- 365:25-7-23. Forms: general requirements [AMENDED]
- 365:25-7-29.1. Transactions subject to prior notice – notice filing (Form D) [AMENDED]
- Subchapter 15. Captive Insurance Companies Regulation
- 365:25-15-1.1. Definitions [AMENDED]
- Subchapter 29. Pharmacy Benefit Managers
- 365:25-29-8. PBM to file certain financial statements with the Commissioner
- Subchapter 29. Pharmacy Benefit Managers
- 365:25-29-7.1. Retail pharmacy network access – audit [REVOKED]
- 365:25-29-8. PBM to file certain financial statements with the Commissioner [AMENDED]
- 365:25-29-10. Penalty for noncompliance [AMENDED]
- 365:25-29-14. Inquiry/complaint handling process [REVOKED]
- 365:25-29-15. Examinations and investigations of PBMs and health insurers [AMENDED]
- 365:25-29-16. Transparency requirements and aggregate reporting [REVOKED]

2. PURPOSE

- 365:25-3-13. Updates language for a new electronic process for submitting information related to surplus lines quarterly and annual filings and tax payments.
- 365:25-3-22. Adds new language specifying when quarterly financial statements and fees are due.
- 365:25-7-23. Updates requirements in the receivership process to be in compliance with accreditation standards.
- 365:25-7-29.1. Updates requirement in the receivership process to be in compliance with accreditation standards.
- 365:25-15-1.1. Updates language to include other qualified individuals to be approved by the Commissioner for feasibility studies.
- 365:25-29-7.1. Removed unnecessary language after enforcement of pharmacy benefit managers (“PBMs”) division was moved to the Attorney General’s office effective November 1, 2023.
- 365:25-29-8. Removes audited requirement from financial statements.
- 365:25-29-10. Amended to update language after enforcement of PBMs moved to the Attorney General’s Office this past session effective November 1, 2023.
- 365:25-29-14. Revoked due to changes in statute.
- 365:25-29-15. Amended to update language due to changes in statute.
- 365:25-29-16. Revoked due to changes in statute.

3. CLASSES AFFECTED:

- a. Regulated entities

- b. Producers
- c. Surplus Lines Brokers
- d. Service Warranty Companies
- e. Companies going through receivership
- f. Captives
- g. Pharmacy Benefit Managers
- h. Oklahoma Insurance Department

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

Little to none.

5. CLASSES BENEFITTED:

- a. Regulated entities
- b. Producers
- c. Surplus Lines Brokers
- d. Service Warranty Companies
- e. Companies going through receivership
- f. Captives
- g. Pharmacy Benefit Managers
- h. Oklahoma Insurance Department

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 fees, or licensing fees.

9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:

Changes do not contain any increased fees. Fee structure is already set forth in statute and rules. Updates rules to ensure they align with statute changes made this last legislative session.

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

Little to none.

11. LESS COSTLY/LESS INTRUSIVE METHODS:

No less costly or less intrusive methods have been identified. Rule changes remove unnecessary regulation that is already addressed in the statutes and assists our licensees by reducing the number of regulations they must review for compliance. We also update the regulations to reflect statutory changes that were made in past years and new IT processes that have been implemented.

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

If not implemented, the OID will have rules that are contradictory to new statute requirements and processes at the Department.

13. EFFECT ON SMALL BUSINESS:

Little to none.

14. DATE PREPARED:

November 6, 2023