



BULLETIN NO. 2025-09

TO: All Insurance Companies licensed to do business in the State of Oklahoma
RE: House Bill 1497 and OAC 365:25-7-32 (2025 Legislative and Rule Changes)
FROM: Glen Mulready, Insurance Commissioner
DATE: October 23, 2025

The purpose of this bulletin is to inform all insurance holding company systems subject to the jurisdiction of the Insurance Commissioner of the legislative changes for 2025. *Disclaimer: The following overview does not include every legislative change made in 2025. Please refer to the Oklahoma Supreme Court Network (OSCN) webpage to view all changes.*

HB 1497

House Bill 1497 amends Article 16a of the Insurance Code, Title 36 of Oklahoma Statutes, to incorporate the 2021 changes to the National Association of Insurance Commissioners (“NAIC”) Model Law 440 (Insurance Holding Company System Regulatory Act). These changes adopt the Group Capital Calculation and Liquidity Stress Framework, which helps assess and monitor a company’s financial solvency and risk.

These legislative changes are effective November 1, 2025.

36 O.S. § 1631

Changes to this Section add the following definitions:

"Group Capital Calculation Instructions" means the group capital calculation instructions as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

"NAIC Liquidity Stress Test Framework" means a separate NAIC publication which includes a history of the NAIC's development of regulatory Liquidity Stress Testing, the Scope Criteria applicable for a specific data year, and the Liquidity Stress Test instructions and reporting templates for a specific data year, such Scope Criteria, instructions and reporting template being as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

"Scope Criteria" means, as detailed in the NAIC Liquidity Stress Framework, the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC Liquidity Stress Test Framework for that data year.

36 O.S. § 1635

Amends Subsection D to clarify that the definition of materiality shall not apply for purposes of the Group Capital Calculation Instructions or the Liquidity Stress Test Framework.

Reporting Requirements for Group Capital Calculation—Changes to Subsection L(2) set forth reporting requirements for group capital calculation. The ultimate controlling person of every insurer subject to registration shall concurrently file with the registration an annual group capital calculation as directed by the lead state Commissioner. The report shall be completed in accordance with the NAIC Group Capital Calculation Instructions and shall be filed with the lead state Commissioner of the insurance holding company system, as determined by the commissioner, in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC.

The legislation exempts from the group capital calculation filing requirements an insurance holding company system:

- That has only one insurer within its structure, only writes business in its domestic state, and assumes no business from any other insurer;
- That is required to perform a group capital calculation specified by the United States Federal Reserve Board. (If the Federal Reserve Board cannot share the calculation with the lead state Commissioner, this exemption does not apply);
- Whose non-U.S. group-wide supervisor is located within a reciprocal jurisdiction as described in 36 O.S. § 5122 that recognizes the United States state regulatory approach to group supervision and group capital;
- Whose non-U.S. group-wide supervisor is not located within a reciprocal jurisdiction but does (1) recognize and accept the group capital calculation as the world-wide group capital assessment for United States insurance groups who operate in that jurisdiction, (2) has provided information to the lead state that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the group-wide supervisor, and (3) such information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; or
- Who is otherwise granted an exemption pursuant to OAC 365:25-7-32(a) or (b).

A non-U.S. jurisdiction is considered to “recognize and accept” group capital calculation if it satisfies the criteria listed in OAC 365:25-7-32(d). A list of non-U.S. jurisdictions meeting this criteria will be published through the NAIC Committee Process.

An insurance holding company system that no longer meets requirements for an exemption shall file the group capital calculation at the next annual filing date

Reporting Requirements for the NAIC Liquidity Stress Test Framework—Changes to Subsection L(3) set forth reporting requirements for the liquidity stress test framework.

The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC Liquidity Stress Test Framework shall file the results of a specific year's Liquidity Stress Test with the lead

state insurance commissioner. The filing of the results from a specific year's Liquidity Stress Test shall comply with the NAIC Liquidity Stress Test Framework's instructions and reporting templates for that year. An insurer is “scoped” into the NAIC Liquidity Stress Test Framework if it meets at least one threshold of the scope criteria.

36 O.S. § 1640

The legislative amendments add new Subsections A(1) and (2) that require the Commissioner to keep confidential group capital information, including, but not limited to, the group capital calculation and group capital ratio, and Liquidity Stress Test information, including, but not limited to, the Liquidity Stress Test results and supporting disclosures.

The Commissioner is required to enter into contracts with any third-party consultants regarding the sharing and use of information provided to the Commissioner pursuant to Article 16a. New requirements for such contracts include requiring recipients to maintain the confidentiality of the information received, prohibiting storage of certain information in a permanent database after the underlying analysis is complete, and providing for notification to the insurer of the identity of a consultant receiving NAIC Stress Test Liquidity Information.

A new Subsection G states that the publication, dissemination, or circulation, in physical or electronic format as an advertisement, announcement, or statement, of the group capital calculation, the group capital ratio, the Liquidity Stress Test results or supporting disclosure, or of any component derived in the calculation, is misleading and is prohibited.

OAC 365:25-7-32. Group Capital Calculation

This new regulation adopts the 2021 revisions to the NAIC Model Law 450 (Insurance Holding Company System Model Regulation). Subsection (a)(1)–(5) sets forth the criteria an insurance holding system must meet when requesting that the lead state commissioner exercise discretion and grant an exemption from the group capital reporting requirements. The insurance holding company system shall:

- Have previously filed an annual group capital calculation at least once;
- Have annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than One Million Dollars (\$1,000,000,000.00);
- Have no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;
- Have no banking, depository, or other financial entity that is subject to an identified regulatory capital framework within its holding company structure;
- Attest that there are no material changes in the transactions between insurers and non-insurers in the group that have occurred since the last filing of the annual group capital; and
- Sufficient evidence that the non-insurers within the holding company system do not pose a material financial risk to the insurer’s ability to honor policyholder obligations.

Subsection b sets forth the criteria an insurance holding system must meet when requesting that the lead state commissioner exercise discretion and accept a limited group capital filing. The insurance holding company system shall:

- Have previously filed an annual group capital calculation at least once;
- Have no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;
- Not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework; and
- Attest that there are no material changes in transactions between insurers and non-insurers in the group that have occurred since the last filing of the report to the lead state commissioner, and the non-insurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Regardless of any exemption or limited group capital filing approval granted, the lead state commissioner may require at any time the ultimate controlling person to file an annual group capital calculation if any of the following criteria are met:

- Any insurer within the insurance holding company system is in a Risk-Based Capital action level event as set forth in the Risk-Based Capital for Insurers Act, 36 O.S. §§ 1521, et seq., or a similar standard for a non-U.S. insurer; or
- Any insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition as defined in OAC 365:25-7-42; or
- Any insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer as determined by the lead state commissioner based on unique circumstances, including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Questions concerning this bulletin should be directed to the OID Financial Division at (405) 521-3966 or by email to ryan.rowe@oid.ok.gov.