

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 542

By: Montgomery

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5
6 AS INTRODUCED

7 An Act relating to the Insurance Department; amending
8 36 O.S. 2021, Sections 350, 606.1, 924.1, 1250.4,
9 1641, and 6652, which relate to electronic filings,
10 procedures and requirements for insurers, rule
11 promulgation, and compliance; clarifying requirements
12 for certain filings and submissions; modifying public
13 hearing process; modifying required reduction in
14 premium charges for certain insureds; requiring
15 certain insurers to maintain up-to-date information
16 with the Insurance Commissioner; updating statutory
17 language; conforming language; and providing an
18 effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. AMENDATORY 36 O.S. 2021, Section 350, is
21 amended to read as follows:

22 Section 350. Notwithstanding any other provision of law that
23 requires a particular form and associated payment to be filed with
24 the Insurance Department in paper form, or to be mailed or hand-
25 delivered to the Insurance Department, the Insurance Commissioner
26 may, by appropriate order, require that all filings, including the
27 payment of any transaction, filing, or other fee prescribed by the

1 Commissioner, of that specific type be filed or delivered in an
2 electronic format.

3 SECTION 2. AMENDATORY 36 O.S. 2021, Section 606.1, is
4 amended to read as follows:

5 Section 606.1. A. 1. Any foreign or alien insurer which is
6 organized under the laws of any other jurisdiction for the purpose
7 of transacting insurance may become a domestic insurer by complying
8 with all of the requirements of law relative to the organization and
9 licensing of a domestic insurer of the same type and by designating
10 its principal place of business at a location in this state,
11 provided, the Insurance Commissioner approves the insurer's
12 application for redomestication ~~following a public hearing~~. Said
13 domestic insurer will be entitled to like certificates and licenses
14 to transact business in this state and shall be subject to the
15 authority and jurisdiction of this state.

16 2. The Commissioner shall approve an insurer's application to
17 redomesticate unless, ~~after a public hearing thereon~~, he finds that:

- 18 a. the insurer cannot comply with all the requirements of
19 law relative to the organization and licensing of a
20 domestic insurer,
21 b. after redomestication, the insurer would not be able
22 to satisfy the requirements for the issuance of a
23 license to write the line or lines of insurance for
24 which it is presently licensed,

- 1 c. the effect of the redomestication would be
2 substantially to lessen competition in insurance in
3 this state or tend to create a monopoly therein,
4 d. the financial condition of the insurer is such as
5 might jeopardize or prejudice the interest of its
6 policyholders or the state and is not in the public
7 interest, or
8 e. the competence, experience and integrity of those
9 persons who control the operation of the insurer are
10 such that it would not be in the interest of the
11 policyholders, the public or the state to permit the
12 redomestication.

13 3. The insurer's application to redomesticate shall contain
14 information acceptable to the Commissioner concerning its financial
15 condition, its plan of operation for the succeeding three (3) years,
16 and information concerning the competence, experience and integrity
17 of those persons who control the operation of the insurer.

18 4. If the Commissioner determines that grounds exist to
19 disapprove the application to redomesticate, a public hearing shall
20 be held. The application for redomestication shall be deemed
21 approved unless the Commissioner has, within thirty (30) days after
22 the conclusion of the hearing, entered his order disapproving the
23 redomestication.

1 B. Any domestic insurer may, upon the approval of the Insurance
2 Commissioner, transfer its domicile to any other state in which it
3 is admitted to transact the business of insurance, and upon such a
4 transfer, shall cease to be a domestic insurer, and shall be
5 admitted to this state if qualified as a foreign insurer. The
6 Commissioner shall approve any such proposed transfer unless he
7 shall determine such transfer is not in the interest of the
8 policyholders of this state.

9 C. The certificate of authority, agents appointments and
10 licenses, rates, and other items which the Insurance Commissioner
11 allows, in his discretion, which are in existence at the time any
12 insurer licensed to transact the business of insurance in this state
13 transfers its corporate domicile to this or any other state by
14 merger, consolidation or any other lawful method shall continue in
15 full force and effect upon such transfer if such insurer remains
16 duly qualified to transact the business of insurance in this state.
17 All outstanding policies and other contracts of any transferring
18 insurer shall remain in full force and effect and need not be
19 endorsed as to the new name of the company or its new location
20 unless so ordered by the Commissioner. Every transferring insurer
21 shall file new policy forms with the Commissioner on or before the
22 effective date of the transfer, but may use existing policy forms
23 with appropriate endorsements if allowed by, and under such
24 conditions as approved by, the Commissioner. However, every such

1 transferring insurer shall notify the Commissioner of the details of
2 the proposed transfer, and shall file promptly, any resulting
3 amendments to corporate documents required to be filed with the
4 Commissioner.

5 D. The Insurance Commissioner may promulgate rules and
6 regulations to carry out the purposes of this section.

7 SECTION 3. AMENDATORY 36 O.S. 2021, Section 924.1, is
8 amended to read as follows:

9 Section 924.1. A. Any schedule of rates or rating plan for
10 automobile or motorcycle liability and physical damage insurance
11 submitted to or filed with the State Insurance Commissioner shall
12 provide for an appropriate reduction in premium charges for those
13 insured persons for a three-year period after successfully
14 completing a motor vehicle accident prevention course which shall
15 include but not be limited to an automobile or motorcycle accident
16 prevention course as approved by the insurance company of the
17 policyholder. ~~Provided, however, there shall be no reduction in~~
18 ~~premiums for a self-instructed course or a course which does not~~
19 ~~provide for actual classroom or field driving instruction for a~~
20 ~~minimum number of hours as provided in subsection E of this section.~~
21 Provided further, there shall be no reduction in premiums for a
22 course attended pursuant to a court order in connection with a motor
23 vehicle violation or an alcohol- or drug-related offense.

1 B. All insurance companies writing automobile or motorcycle
2 liability and physical damage insurance in this state shall allow an
3 appropriate reduction in premium charges to all eligible persons
4 pursuant to this section.

5 C. Upon successfully completing the approved course, each
6 participant shall be issued by the sponsoring agency of the course,
7 a certificate which shall be the basis of qualification for the
8 discount on insurance.

9 D. Each participant shall successfully complete an approved
10 course each three (3) years to continue to be eligible for the
11 discount on insurance.

12 E. An approved course pursuant to this section shall provide at
13 least six (6) hours of instruction.

14 SECTION 4. AMENDATORY 36 O.S. 2021, Section 1250.4, is
15 amended to read as follows:

16 Section 1250.4. A. An insurer's claim files shall be subject
17 to examination by the Insurance Commissioner or by duly appointed
18 designees. Such files shall contain all notes and work papers
19 pertaining to a claim in such detail that pertinent events and the
20 dates of such events can be reconstructed. In addition, the
21 Insurance Commissioner, authorized employees and examiners shall
22 have access to any of an insurer's files that may relate to a
23 particular complaint under investigation or to an inquiry or
24 examination by the Insurance Department.

1 B. Any person subject to the jurisdiction of the Commissioner,
2 upon receipt of any inquiry from the Commissioner shall, within
3 twenty (20) calendar days from the date of receipt of the inquiry,
4 furnish the Commissioner with an adequate response to the inquiry.
5 The Commissioner may, upon good cause shown and on a case-by-case
6 basis, extend the time allowed for a response for up to seven (7)
7 additional calendar days. Any inquiry or response subject to this
8 subsection shall be delivered electronically.

9 C. Every insurer subject to this section shall submit to the
10 Insurance Commissioner any change in contact information, including,
11 but not limited to, legal or assumed name, business mailing address,
12 email address for any contact person for the insurer, or telephone
13 number. The notification shall be submitted electronically in the
14 manner and form prescribed by the Commissioner, along with any fees
15 deemed necessary.

16 D. Every insurer, upon receipt of any pertinent written
17 communication including but not limited to e-mail or other forms of
18 written electronic communication, or documentation by the insurer of
19 a verbal communication from a claimant which reasonably suggests
20 that a response is expected, shall, within thirty (30) days after
21 receipt thereof, furnish the claimant with an adequate response to
22 the communication.

23 ~~D.~~ E. Any violation by an insurer of this section shall subject
24 the insurer to discipline including a civil penalty of not less than
25

1 One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars
2 (\$5,000.00).

3 SECTION 5. AMENDATORY 36 O.S. 2021, Section 1641, is
4 amended to read as follows:

5 Section 1641. The Commissioner may, ~~upon notice and opportunity~~
6 ~~for all interested persons to be heard,~~ issue such rules,
7 regulations and orders as shall be necessary to carry out the
8 provisions of this act.

9 SECTION 6. AMENDATORY 36 O.S. 2021, Section 6652, is
10 amended to read as follows:

11 Section 6652. A. No vehicle protection product may be sold or
12 offered for sale in this state unless the seller, warrantor and
13 administrator, if any, comply with the provisions of the Vehicle
14 Protection Product Act.

15 B. Vehicle protection product warrantors and related vehicle
16 protection product sellers and warranty administrators complying
17 with the Vehicle Protection Product Act are not required to comply
18 with and are not subject to any other provisions of the Insurance
19 Code.

20 C. ~~Service~~ Licensed service contract providers ~~who~~ may sell
21 ~~vehicle protection products and are licensed~~ motor vehicle ancillary
22 protection products under the Service Warranty Act in Title 15 of
23 the Oklahoma Statutes. Sales under this subsection ~~are~~ shall not be
24 subject to the requirements of the Vehicle Protection Product Act.

1 ~~and sales~~ Licensed service contract providers may also be registered
2 under the Vehicle Protection Product Act. Sales of the vehicle
3 protection products under the Vehicle Protection Product Act are
4 exempt from the requirements of the Service Warranty Act.

5 D. Warranties, indemnity agreements and guarantees that are not
6 provided as a part of a vehicle protection product are not subject
7 to the provisions of the Vehicle Protection Product Act.

8 SECTION 7. This act shall become effective November 1, 2023.

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