

1 ENGROSSED SENATE
2 BILL NO. 542

By: Montgomery of the Senate

and

Sneed of the House

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6 An Act relating to the Insurance Department; amending
7 36 O.S. 2021, Sections 350, 606.1, 607, as amended by
8 Section 1, Chapter 152, O.S.L. 2022, 924.1, 1641, and
9 6652 (36 O.S. Supp. 2022, Section 607), which relate
10 to electronic filings, procedures and requirements
11 for insurers, rule promulgation, and compliance;
12 clarifying requirements for certain filings and
13 submissions; modifying public hearing process;
14 modifying required reduction in premium charges for
15 certain insureds; requiring certain insurers maintain
16 up-to-date information with the Insurance
17 Commissioner; updating statutory language; making
18 language gender neutral; updating statutory
19 reference; and providing an effective date.

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

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

23 Section 350. Notwithstanding any other provision of law that
24 requires a particular form and associated payment to be filed with
the Insurance Department in paper form, or to be mailed or hand-
delivered to the Insurance Department, the Insurance Commissioner
may, by appropriate order, require that all filings of that specific
type be filed or delivered in an electronic format. Electronic

1 filings shall include payment of any transaction, filing, or other
2 applicable fees.

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 Such domestic insurer will be entitled to like certificates and
14 licenses to transact business in this state and shall be subject to
15 the 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 or she
18 finds that:

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

3 c. the effect of the redomestication would be
4 substantially to lessen competition in insurance in
5 this state or tend to create a monopoly therein,

6 d. the financial condition of the insurer is such as
7 might jeopardize or prejudice the interest of its
8 policyholders or the state and is not in the public
9 interest, or

10 e. the competence, experience and integrity of those
11 persons who control the operation of the insurer are
12 such that it would not be in the interest of the
13 policyholders, the public or the state to permit the
14 redomestication.

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

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

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

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

1 with appropriate endorsements if allowed by, and under such
2 conditions as approved by, the Commissioner. However, every such
3 transferring insurer shall notify the Commissioner of the details of
4 the proposed transfer, and shall file promptly, any resulting
5 amendments to corporate documents required to be filed with the
6 Commissioner.

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

9 SECTION 3. AMENDATORY 36 O.S. 2021, Section 607, as
10 amended by Section 1, Chapter 152, O.S.L. 2022 (36 O.S. Supp. 2022,
11 Section 607), is amended to read as follows:

12 Section 607. A. To qualify for and hold authority to transact
13 insurance in Oklahoma an insurer must be otherwise in compliance
14 with the provisions of ~~this~~ the Oklahoma Insurance Code and with its
15 charter powers, and must be an incorporated stock insurer, an
16 incorporated mutual insurer, a mutual benefit association, a
17 nonprofit hospital service and medical indemnity corporation, a
18 farmers mutual fire insurance association, a Lloyd's association or
19 a reciprocal insurer, of the same general type as may be formed as a
20 domestic insurer under this Code; except, that no foreign or alien
21 insurer shall be authorized to transact insurance in Oklahoma which
22 does not maintain reserves as required by Article 15 of this Code
23 applicable to the kind or kinds of insurance transacted by such
24 insurer.

1 B. No certificate of authority or license to transact any kind
2 of direct insurance business in this state shall be issued, renewed
3 or continued in effect, to any domestic, foreign or alien insurance
4 company or other insurance entity which is owned or financially
5 controlled in whole or in part by another state of the United
6 States, or by a foreign government, or by any political subdivision
7 of either, or which is an agency of any such state, government or
8 subdivision.

9 C. A domestic, foreign, or alien insurance company, or entity
10 thereof which is owned or financially controlled in whole or in part
11 by another state of the United States, a foreign government, or any
12 political subdivision thereof, or which is an agency of any such
13 state, government, or subdivision may apply only for a certificate
14 of authority as a reinsurer. Such insurance company or entity shall
15 establish and maintain a regional home office in this state, in a
16 building owned or leased by the insurer, that employs Oklahoma
17 employees as defined pursuant to Section 625.1 of this title.
18 Insurance companies or entities obtaining a certificate of authority
19 under this subsection shall maintain security deposits pursuant to
20 this ~~code~~ Code in a bank as defined pursuant to Section 102 of Title
21 6 of the Oklahoma Statutes.

22 D. Any insurance company or other insurance entity which is
23 owned or financially controlled in whole or in part by any federally
24 recognized American Indian tribe or nation may apply for a

1 certificate of authority or license to transact insurance business
2 in this state and will not be subject to subsection B of this
3 section.

4 E. Insurers under the jurisdiction of the Insurance

5 Commissioner shall keep any contact information deemed necessary by
6 the Commissioner on file with the Insurance Department. Contact
7 information shall be kept current and submitted electronically in
8 the manner and form prescribed by the Commissioner, along with any
9 applicable fees. Any change in contact information shall be
10 submitted within twenty (20) days of the change.

11 SECTION 4. AMENDATORY 36 O.S. 2021, Section 924.1, is
12 amended to read as follows:

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

1 Provided further, there shall be no reduction in premiums for a
2 course attended pursuant to a court order in connection with a motor
3 vehicle violation or an alcohol- or drug-related offense.

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

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

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

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

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

19 Section 1641. The Commissioner may, ~~upon notice and opportunity~~
20 ~~for all interested persons to be heard,~~ issue such rules,
21 regulations and orders as shall be necessary to carry out the
22 provisions of ~~this act~~ Section 1631 et seq. of this title.

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

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

5 B. Vehicle protection product warrantors and related vehicle
6 protection product sellers and warranty administrators complying
7 with the Vehicle Protection Product Act are not required to comply
8 with and are not subject to any other provisions of the Oklahoma
9 Insurance Code.

10 C. ~~Service~~ Licensed service contract providers ~~who~~ may sell
11 ~~vehicle protection products and are licensed~~ motor vehicle ancillary
12 protection products under the Service Warranty Act in Title 15 of
13 the Oklahoma Statutes and such sales ~~are~~ shall not be subject to the
14 requirements of the Vehicle Protection Product Act ~~and sales~~.
15 Licensed service contract providers may also be registered under the
16 Vehicle Protection Product Act. Sales of the vehicle protection
17 products under the Vehicle Protection Product Act are exempt from
18 the requirements of the Service Warranty Act.

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

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

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