

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 499

BY: HOOPER

AS INTRODUCED

AN ACT RELATING TO INSURANCE; AUTHORIZING INSURANCE
COMMISSIONER TO PROMULGATE REASONABLE RULES AND
REGULATIONS GOVERNING PROCESS FOR WITHDRAWAL FROM
STATE BY AN INSURER; DEFINING TERM; PROVIDING FOR
CODIFICATION; AND DECLARING AN EMERGENCY.

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 619.11 of Title 36, unless there
is created a duplication in numbering, reads as follows:

A. The Insurance Commissioner may promulgate reasonable rules
and regulations governing the process whereby any insurer seeks to
withdraw from this state.

B. For purposes of this section, "withdraw" or "withdrawal"
means the nonrenewal, cancellation or termination of policies, or
surrender of authority to transact the business of insurance in this
state, or any insurer action that is equivalent to a withdrawal from
the business of insurance in this state which may include, but is
not limited to, the following:

1. Elimination of a rating system;

2. Termination of agency contracts;
3. Reduction in agency commissions;
4. Restrictions on agency solicitation or binding authority;
5. Insurer refusal of applications; or
6. Declaration of a dividend to an affiliate.

Whether such activities are equivalent to a withdrawal shall be determined by the Commissioner on a case-by-case basis. Withdraw or withdrawal also means the transfer to another insurer of insurance business pursuant to an assumption agreement or a portfolio reinsurance agreement.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-1-713

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