

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2847

By: Ramsey

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 1991, Section 606.1, which relates to requirements of insurers; deleting obsolete language; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 1991, Section 606.1, is amended to read as follows:

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

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

- a. the insurer cannot comply with all the requirements of law relative to the organization and licensing of a domestic insurer,
- b. after redomestication, the insurer would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed,
- c. the effect of the redomestication would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein,
- d. the financial condition of the insurer is such as might jeopardize or prejudice the interest of its policyholders or the state and is not in the public interest, or
- e. the competence, experience and integrity of those persons who control the operation of the insurer are such that it would not be in the interest of the policyholders, the public or the state to permit the redomestication.

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

4. The application for redomestication shall be deemed approved unless the Commissioner has, within thirty (30) days after the conclusion of the hearing, entered his order disapproving the redomestication.

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

C. The certificate of authority, agents appointments and licenses, rates, and other items which the Insurance Commissioner allows, in his discretion, which are in existence at the time any insurer licensed to transact the business of insurance in this state transfers its corporate domicile to this or any other state by merger, consolidation or any other lawful method shall continue in full force and effect upon such transfer if such insurer remains duly qualified to transact the business of insurance in this state. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the company or its new location unless so ordered by the Commissioner. Every transferring insurer shall file new policy forms with the Commissioner on or before the effective date of the transfer, but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the Commissioner. However, every such transferring insurer shall notify the Commissioner of the details of the proposed transfer, and shall file promptly, any resulting amendments to corporate documents required to be filed with the Commissioner.

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

SECTION 2. This act shall become effective November 1, 1996.

