

SHORT TITLE: Insurance; relating to Board of Directors of the Oklahoma Life and Health Insurance Guaranty Association; requiring parity between foreign and domestic insurers in composition of Board membership; effective date.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 225

By: Stipe

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 1991, Section 2026, which relates to Board of Directors of the Oklahoma Life and Health Insurance Guaranty Association; requiring parity between foreign and domestic insurers in composition of board membership; clarifying 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 2026, is amended to read as follows:

Section 2026. A. The Board of Directors of the Oklahoma Life and Health Insurance Guaranty Association shall consist of not less than five (5) nor more than nine (9) member insurers serving terms as established in the procedural rules which shall be created during the organizational meeting. The members of the Board shall be selected by member insurers subject to the approval of the Insurance Commissioner. Vacancies on the Board shall be filled for the remaining period of the term by a majority vote of the remaining Board members, subject to the approval of the Commissioner. To select the initial Board of Directors, and initially organize the Association, the Commissioner shall give notice to all member insurers of the time and place of the organizational meeting. In determining voting rights at the organizational meeting each member

insurer shall be entitled to one (1) vote in person or by proxy. If the Board is not selected within sixty (60) days after notice of the organizational meeting, the Commissioner may appoint the initial members.

B. In approving selections or in appointing members to the Board, the Commissioner shall consider, among other things, whether all member insurers are fairly represented, and shall act to ensure parity between foreign and domestic insurers in the composition of Board membership.

C. Members of the Board may be reimbursed according to the provisions of the State Travel Reimbursement Act for expenses incurred by them as members of the Board, but members of the Board shall not otherwise be compensated by the Association for their services.

SECTION 2. This act shall become effective November 1, 1997.

46-1-0113            JY