

SHORT TITLE: Insurance; requiring certain domestic and foreign insurers to file risk-based capital reports and plans with Insurance Commissioner and providing for certain actions; codification; noncodification; effective date; emergency.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 662

By: Douglass

AS INTRODUCED

An Act relating to insurance; stating legislative intent; creating the Risk-based Capital for Insurers Act; providing short title; defining terms; requiring certain domestic insurers to file annually a risk-based capital report with certain entities; requiring risk-based capital be determined by certain formulas and specifying factors related thereto; providing for adjustment of inaccurate report by Insurance Commission after notice and opportunity for hearing; requiring insurer file risk-based capital plan with Insurance Commission if certain events occur and stating elements to be included in plan; providing for challenge to plan, implementation of plan, and for revisions of unsatisfactory plans; providing for notice, hearing, and regulatory action; requiring plan be filed in other states under certain circumstances; specifying events which require certain regulatory action; providing for analysis of assets, liabilities, and operations of insurer and corrective actions; authorizing Commissioner to retain certain experts to review plans or conduct analysis relating to regulatory action; specifying events which require certain control actions; deeming these events to be sufficient grounds for Commissioner to exercise powers granted under

Article 18 and 19 of Insurance Code and providing for notice and hearing; granting insurer opportunity for confidential departmental hearing to challenge determinations or actions of Commissioner; providing for notification and time frame for hearing; authorizing Commissioner to deny request for hearing under certain circumstances; making risk-based capital reports and plans confidential with limited exceptions; providing for civil penalty for breach of confidentiality; prohibiting certain use of reports and plans by Commissioner; making provisions of act supplemental to other law; providing for promulgation or rules; providing for certain exemptions from act; requiring foreign insurers to submit risk-based capital report and plan upon written request of Commissioner and under certain circumstances; providing for certain remedy for failure to comply; stating procedure to be used if no domiciliary receiver has been appointed; providing immunity for Commissioner and employees for certain acts; stating when certain notices are effective; providing for codification; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. A. An excess of capital over the amount produced by the risk-based capital requirements contained in the Risk-based

Capital for Insurers Act and the formulas, schedules, instructions, and rules referenced in this act are desirable in the business of insurance. Accordingly, insurers should seek to maintain capital above the RBC levels required by this act. Additional capital is used and useful in the insurance business and helps to secure an insurer against various risks which are inherent in, or affect, the business of insurance and which are not accounted for or are only partially measured by the risk-based capital requirements contained in this act.

B. It is the intent of the Legislature that the comparison of an insurer's Total Adjusted Capital to any of its RBC Levels is a regulatory tool which may indicate the need for possible corrective action with respect to the insurer, and is not intended as a means to rank insurers generally.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1521 of Title 36, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Risk-based Capital for Insurers Act".

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1522 of Title 36, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Adjusted RBC Report" means an RBC report which has been adjusted by the Insurance Commissioner in accordance with subsection D of Section 4 of this act;

2. "Corrective order" means an order issued by the Commissioner specifying corrective actions which the Commissioner has determined are required;

3. "Domestic insurer" means any insurance company domiciled in this state;

4. "Foreign insurer" means any insurance company which has a certificate of authority to do business in this state but is not domiciled in this state;

5. "Life or health insurer" means any insurance company with a certificate of authority to write life or health insurance, or a licensed property and casualty insurer writing only accident and health insurance;

6. "Negative trend" means, with respect to a life or health insurer, negative trend over a period of time, as determined in accordance with the "Trend Test Calculation" included in the RBC Instructions;

7. "NAIC" means the National Association of Insurance Commissioners;

8. "Property and casualty insurer" means any insurance company with a certificate of authority to write property or casualty insurance, and shall not include monoline mortgage guaranty insurers, financial guaranty insurers, or title insurers;

9. "RBC" means risk-based capital;

10. "RBC Instructions" means the RBC Report including risk-based capital instructions adopted by the NAIC, as adopted by the Commissioner by rule, and any amendments thereto adopted by the Commissioner by rule;

11. "RBC Level" means an insurer's Company Action Level RBC, Regulatory Action Level RBC, Authorized Control Level RBC, or Mandatory Control Level RBC, where:

- a. "Company Action Level RBC" means, with respect to any insurer, the product of 2.0 and its Authorized Control Level RBC,
- b. "Regulatory Action Level RBC" means the product of 1.5 and its Authorized Control Level RBC,

- c. "Authorized Control Level RBC" means the number determined under the risk-based capital formula in accordance with RBC Instructions, and
- d. "Mandatory Control Level RBC" means the product of 0.70 and the Authorized Control Level RBC;

12. "RBC Plan" means a comprehensive financial plan containing the elements specified in subsection B of Section 5 of this act;

13. "Revised RBC Plan" means an RBC Plan which is rejected by the Commissioner and which is revised by the insurer with or without the Commissioner's recommendations;

14. "RBC Report" means the report required in Section 4 of this act; and

15. "Total adjusted capital" means the sum of:

- a. an insurer's statutory capital and surplus as determined in accordance with the statutory accounting applicable to the annual financial statements required to be filed with the Commissioner, and
- b. such other items, if any, as the RBC Instructions, as adopted by rule by the Commissioner, may provide.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1523 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. Every domestic insurer shall, on or prior to each March 1, which shall be known as the filing date, prepare and submit to the Insurance Commissioner a report of its RBC Levels as of the end of the calendar year just ended, in a form and containing such information as is required by the RBC Instructions, as adopted by the Commissioner by rule. In addition, every domestic insurer shall file its RBC Report with the NAIC if required by the Commissioner.

B. 1. A life and health insurer's RBC shall be determined in accordance with the formula set forth in the RBC Instructions, as adopted by the Commissioner by rule. The formula shall take into

account, and may adjust for the covariance between, the following factors:

- a. the risk with respect to the insurer's assets,
- b. the risk of adverse insurance experience with respect to the insurer's liabilities and obligations,
- c. the interest rate risk with respect to the insurer's business, and
- d. all other business risks and such other relevant risks as are set forth in the RBC Instructions.

2. These factors shall be determined in each case by applying the factors in the manner set forth in the RBC Instructions.

C. 1. A property and casualty insurer's RBC shall be determined in accordance with the formula set forth in the RBC Instructions, as adopted by the Commissioner by rule. The formula shall take into account, and may adjust for the covariance between, the following factors:

- a. asset risk,
- b. credit risk,
- c. underwriting risk, and
- d. all other business risks and such other relevant risks as are set forth in the RBC Instructions.

2. These factors shall be determined in each case by applying the factors in the manner set forth in the RBC Instructions.

D. If a domestic insurer files an RBC Report which in the judgment of the Commissioner is inaccurate, then the Commissioner, after notice and opportunity for comment, shall adjust the RBC Report to correct the inaccuracy and shall notify the insurer of the adjustment. The notice shall contain a statement of the reason for the adjustment. An RBC Report so adjusted shall be referred to as an "Adjusted RBC Report".

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1524 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. "Company Action Level Event" means any of the following events:

1. The filing of an RBC Report by an insurer which indicates that:

- a. the insurer's Total Adjusted Capital is greater than or equal to its Regulatory Action Level RBC but less than its Company Action Level RBC, or
- b. if a life or health insurer, the insurer has Total Adjusted Capital which is greater than or equal to its Company Action Level RBC but less than the product of its Authorized Control Level RBC and 2.5 and has a negative trend;

2. The notification by the Insurance Commissioner to the insurer of an Adjusted RBC Report that indicates an event described in paragraph 1 of this subsection, provided the insurer does not challenge the Adjusted RBC Report under Section 9 of this act; or

3. If, pursuant to Section 9 of this act, an insurer challenges an Adjusted RBC Report that indicates the event described in paragraph 1 of this subsection, the notification by the Commissioner to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge.

B. In the event of a Company Action Level Event, the insurer shall, unless otherwise directed by the Commissioner, prepare and submit to the Commissioner an RBC Plan which shall include the following five elements:

1. Conditions which contribute to the Company Action Level Event;

2. Proposals of corrective actions which the insurer intends to take and which would be expected to result in the elimination of the Company Action Level Event;

3. Projections of the insurer's financial results in the current year and at least the four (4) succeeding years, both in the absence of proposed corrective actions and giving effect to the proposed corrective actions, including projections of statutory operating income, net income, or capital and surplus. Unless the Commissioner otherwise directs, the projections for both new and renewal business shall include separate projections for each major line of business and separately identify each significant income, expense and benefit component;

4. The key assumptions impacting the insurer's projections and the sensitivity of the projections to the assumptions; and

5. The quality of, and problems associated with, the insurer's business, including, but not limited to, its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and use of reinsurance, if any, in each case.

C. The RBC Plan shall be submitted:

1. Within forty-five (45) days of the Company Action Level Event; or

2. If the insurer challenges an Adjusted RBC Report pursuant to Section 9 of this act, within forty-five (45) days after notification to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge.

D. Within sixty (60) days after the submission by an insurer of an RBC Plan to the Commissioner, the Commissioner shall notify the insurer whether the RBC Plan shall be implemented or is, in the judgment of the Commissioner, unsatisfactory. If the Commissioner determines the RBC Plan is unsatisfactory, the notification to the insurer shall set forth the reasons for the determination, and may

set forth proposed revisions which will render the RBC Plan satisfactory, in the judgment of the Commissioner. Upon notification from the Commissioner, the insurer shall prepare a Revised RBC Plan, which may incorporate by reference any revisions proposed by the Commissioner, and shall submit the Revised RBC Plan to the Commissioner:

1. Within forty-five (45) days after the notification from the Commissioner; or

2. If the insurer challenges the notification from the Commissioner under Section 9 of this act, within forty-five (45) days after a notification to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge.

E. In the event of a notification by the Commissioner to an insurer that the insurer's RBC Plan or Revised RBC Plan is unsatisfactory, the Commissioner may at the Commissioner's discretion, subject to the insurer's right to a hearing under Section 9 of this act, specify in the notification that the notification constitutes a Regulatory Action Level Event.

F. Every domestic insurer that files an RBC Plan or Revised RBC Plan with the Commissioner shall file a copy of the RBC Plan or Revised RBC Plan with the insurance commissioner in any state in which the insurer is authorized to do business if:

1. The state has an RBC provision substantially similar to subsection A of Section 12 of this act; and

2. The insurance commissioner of that state has notified the insurer of its request for the filing in writing. If such a request is made, the insurer shall file a copy of the RBC Plan or Revised RBC Plan in that state no later than the later of:

a. fifteen (15) days after the receipt of the request to file a copy of its RBC Plan or Revised RBC Plan with the state, or

- b. the date on which the RBC Plan or Revised RBC Plan is filed under subsections C and D of this section.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1525 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. "Regulatory Action Level Event" means, with respect to any insurer, any of the following events:

1. The filing of an RBC Report by the insurer which indicates that the insurer's Total Adjusted Capital is greater than or equal to its Authorized Control Level RBC but less than its Regulatory Action Level RBC;

2. The notification by the Insurance Commissioner to an insurer of an Adjusted RBC Report that indicates the event described in paragraph 1 of this subsection, provided the insurer does not challenge the Adjusted RBC Report under Section 9 of this act;

3. If, pursuant to Section 9 of this act, the insurer challenges an Adjusted RBC Report that indicates the event described in paragraph 1 of this subsection, the notification by the Commissioner to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge;

4. The failure of the insurer to file an RBC Report by the filing date, unless the insurer has provided an explanation for such failure in writing prior to the filing date which is satisfactory to the Commissioner, and has cured the failure within such time as may be allowed by the Commissioner;

5. The failure of the insurer to submit an RBC Plan to the Commissioner within the time period set forth in subsection C of Section 5 of this act;

6. Notification by the Commissioner to the insurer that:

- a. the RBC Plan or Revised RBC Plan submitted by the insurer is, in the judgment of the Commissioner, unsatisfactory, and

- b. such notification constitutes a Regulatory Action Level Event with respect to the insurer, provided the insurer has not challenged the determination under Section 9 of this act;

7. If, pursuant to Section 9 of this act, the insurer challenges a determination by the Commissioner under paragraph 6 of this subsection, the notification by the Commissioner to the insurer that the Commissioner has, after opportunity for a hearing, rejected such challenge;

8. Notification by the Commissioner to the insurer that the insurer has failed to adhere to its RBC Plan or Revised RBC Plan, but only if the failure has a substantial adverse effect on the ability of the insurer to eliminate the Company Action Level Event in accordance with the RBC Plan or Revised RBC Plan and the Commissioner has so stated in the notification, provided the insurer has not challenged the determination under Section 9 of this act; or

9. If, pursuant to Section 9 of this act, the insurer challenges a determination by the Commissioner under paragraph 8 of this subsection, the notification by the Commissioner to the insurer that the Commissioner has, after opportunity for a hearing, rejected the challenge.

B. In the event of a Regulatory Action Level Event:

1. The insurer shall, unless otherwise directed by the Commissioner, prepare and submit an RBC Plan or, if applicable, a Revised RBC Plan;

2. The Commissioner may perform such examination or analysis as the Commissioner deems necessary of the assets, liabilities, and operations of the insurer including a review of its RBC Plan or Revised RBC Plan; and

3. Subsequent to the examination or analysis, the Commissioner may issue a corrective order specifying the corrective actions which the Commissioner determines are required.

C. In determining corrective actions, the Commissioner may take into account the factors deemed relevant with respect to the insurer based upon the Commissioner's examination or analysis of the assets, liabilities, and operations of the insurer, including, but not limited to, the results of any sensitivity tests undertaken pursuant to the RBC Instructions. The RBC Plan or Revised RBC Plan shall be submitted:

1. Within forty-five (45) days after the occurrence of the Regulatory Action Level Event;

2. If the insurer challenges an Adjusted RBC Report pursuant to Section 9 of this act, within forty-five (45) days after the notification to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge; or

3. If the insurer challenges a Revised RBC Plan pursuant to Section 9 of this act, within forty-five (45) days after the notification to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge.

D. The Commissioner may retain actuaries and investment experts and other consultants as may be necessary in the judgment of the Commissioner to review the insurer's RBC Plan or Revised RBC Plan, examine or analyze the assets, liabilities, and operations of the insurer, and formulate a corrective order with respect to the insurer. The fees, costs, and expenses relating to consultants shall be borne by the affected insurer or such other party as directed by the Commissioner.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1526 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. "Authorized Control Level Event" means any of the following events:

1. The filing of an RBC Report by the insurer which indicates that the insurer's Total Adjusted Capital is greater than or equal

to its Mandatory Control Level RBC but less than its Authorized Control Level RBC;

2. The notification by the Insurance Commissioner to the insurer of an Adjusted RBC Report that indicates the event in paragraph 1 of this subsection, provided the insurer does not challenge the Adjusted RBC Report under Section 9 of this act;

3. If, pursuant to Section 9 of this act, the insurer challenges an Adjusted RBC Report that indicates the event in paragraph 1 of this act, notification by the Commissioner to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge;

4. The failure of the insurer to respond, in a manner satisfactory to the Commissioner, to a corrective order, provided the insurer has not challenged the corrective order under Section 9 of this act; or

5. If the insurer has challenged a corrective order under Section 9 of this act and the Commissioner has, after opportunity for a hearing, rejected the challenge or modified the corrective order, the failure of the insurer to respond, in a manner satisfactory to the Commissioner, to the corrective order subsequent to rejection or modification by the Commissioner.

B. In the event of an Authorized Control Level Event with respect to an insurer, the Commissioner may:

1. Take such actions as are required under Section 6 of this act regarding an insurer with respect to which a Regulatory Action Level Event has occurred; or

2. If the Commissioner deems it to be in the best interests of the policyholders and creditors of the insurer and of the public, take such actions as are necessary to cause the insurer to be placed under regulatory control under Article 18 or 19 of the Insurance Code. In the event the Commissioner takes such actions, the Authorized Control Level Event shall be deemed sufficient grounds

for the Commissioner to take action under Article 18 or 19 of the Insurance Code, and the Commissioner shall have the rights, powers, and duties with respect to the insurer as are set forth in Article 18 or 19 of the Insurance Code. In the event the Commissioner takes actions under this paragraph pursuant to an Adjusted RBC Report, the insurer shall be entitled to notice and opportunity for a hearing as required by the provisions of Article 18 or 19 of the Insurance Code.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1527 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. "Mandatory Control Level Event" means any of the following events:

1. The filing of an RBC Report which indicates that the insurer's Total Adjusted Capital is less than its Mandatory Control Level RBC;

2. Notification by the Commissioner to the insurer of an Adjusted RBC Report that indicates the event in paragraph 1 of this subsection, provided the insurer does not challenge the Adjusted RBC Report under Section 9 of this act; or

3. If, pursuant to Section 9 of this act, the insurer challenges an Adjusted RBC Report that indicates the event in paragraph 1 of this subsection, notification by the Commissioner to the insurer that the Commissioner has, after opportunity for a hearing, rejected the insurer's challenge.

B. In the event of a Mandatory Control Level Event:

1. With respect to a life insurer, the Commissioner may take the actions necessary to place the insurer under regulatory control under Article 18 or 19 of the Insurance Code. In that event, the Mandatory Control Level Event is deemed sufficient grounds for the Commissioner to take action under Article 18 or 19 of the Insurance Code, and the Commissioner shall have the rights, powers, and duties

with respect to the insurer which are set forth in Article 18 or 19 of the Insurance Code. If the Commissioner takes actions pursuant to an Adjusted RBC Report, the insurer shall be entitled to notice and opportunity for a hearing as required by the provisions of Article 18 or 19 of the Insurance Code; and

2. With respect to a property and casualty insurer, the Commissioner may take the actions necessary to place the insurer under regulatory control under Article 18 or 19 of the Insurance Code, or, in case of an insurer which is writing no business and which is running-off its existing business, may allow the insurer to continue its run-off under the supervision of the Commissioner. In either event, the Mandatory Control Level Event is deemed sufficient grounds for the Commissioner to take action under Article 18 or 19 of the Insurance Code and the Commissioner shall have the rights, powers, and duties with respect to the insurer which are set forth in Article 18 or 19 of the Insurance Code. If the Commissioner takes actions pursuant to an Adjusted RBC Report, the insurer shall be entitled to notice and opportunity for a hearing as required by the provisions of Article 18 or 19 of the Insurance Code.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1528 of Title 36, unless there is created a duplication in numbering, reads as follows:

The insurer shall have the right to an opportunity for a confidential departmental hearing, on the record, at which the insurer may challenge any determination or action by the Commissioner. The insurer shall notify the Commissioner of its request for a hearing within five (5) days after the notification by the Commissioner of a decision affecting the insurer's substantial rights. Upon receipt of the insurer's request for a hearing, the Commissioner shall set a date for the hearing, which date shall be no less than five (5) days after the date of the insurer's request.

The Commissioner may deny a request for hearing if the request is frivolous, or if no factual issues are presented.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1529 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. RBC Reports and RBC Plans shall be kept confidential by the Insurance Commissioner. This information shall not be subject to subpoena. This information shall be made public by the Commissioner only for the purpose of enforcement actions taken by the Commissioner pursuant to this act or any other provision of the insurance laws of this state.

B. Except as otherwise required under the provisions of this act, the making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing an assertion, representation, or statement with regard to the RBC Levels of any insurer, or of any component derived in the calculation, by an insurer, agent, broker, or other person engaged in any manner in the insurance business is misleading and is therefore prohibited. Any person who violates this subsection shall be subject to a civil penalty in an amount not less than One Thousand Dollars (\$1,000.00) nor more than Ten Thousand Dollars (\$10,000.00).

C. The RBC Reports and RBC Plans are intended solely for use by the Commissioner in monitoring the solvency of insurers and the need for possible corrective action with respect to insurers. The RBC Reports and RBC Plans shall not be used by the Commissioner for ratemaking nor considered or introduced as evidence in any rate proceeding nor used by the Commissioner to calculate or derive any

elements of an appropriate premium level or rate of return for any line of insurance which an insurer or any affiliate is authorized to write.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1530 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. The provisions of this act are supplemental to any other provisions of the laws of this state, and shall not preclude or limit any other powers or duties of the Insurance Commissioner under such laws, including, but not limited to, Article 18 or 19 of the Insurance Code.

B. The Commissioner may promulgate reasonable rules necessary for the implementation of this act.

C. The Commissioner may exempt from the application of this act in any year any domestic insurer which:

1. Writes direct business only in this state; and
2. Assumes no reinsurance in excess of five percent (5%) of direct premium written.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1531 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. 1. Any foreign insurer shall, upon the written request of the Insurance Commissioner, submit to the Commissioner an RBC Report as of the end of the calendar year just ended on a date which is the later of:

- a. the date an RBC Report would be required to be filed by a domestic insurer under this act, or
- b. fifteen (15) days after the request is received by the foreign insurer.

2. Any foreign insurer shall, at the written request of the Commissioner, promptly submit to the Commissioner a copy of any RBC

Plan that is filed with the Insurance Commissioner of any other state.

B. 1. The Commissioner may require a foreign insurer to file an RBC Plan with the Commissioner in the event of a Company Action Level Event, Regulatory Action Level Event, or Authorized Control Level Event. The filing shall be made pursuant to the RBC statute applicable in the state of domicile of the insurer or, if no RBC statute is in force in that state, pursuant to the provisions of this act. If the insurance commissioner of the state of domicile of the foreign insurer fails to require the foreign insurer to file an RBC Plan in the manner specified under that state's RBC statute or, if no RBC statute is in force in that state, the filing shall be made pursuant to Section 5 of this act.

2. The failure of the foreign insurer to file an RBC Plan with the Commissioner shall be grounds to order the insurer to cease and desist from writing new insurance business in this state.

C. In the event of a Mandatory Control Level Event with respect to any foreign insurer, if no domiciliary receiver has been appointed with respect to the foreign insurer under the rehabilitation and liquidation statute applicable in the state of domicile of the foreign insurer, the Commissioner may make application to the Oklahoma County District Court as permitted under Article 19 of the Oklahoma Insurance Code with respect to the liquidation of property of foreign insurers found in this state.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1532 of Title 36, unless there is created a duplication in numbering, reads as follows:

There shall be no liability on the part of, and no cause of action shall arise against, the Insurance Commissioner or the Insurance Department or its employees or agents for any action taken by them in the performance of their powers and duties under this act.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1533 of Title 36, unless there is created a duplication in numbering, reads as follows:

All notices by the Insurance Commissioner to an insurer which may result in regulatory action hereunder shall be effective upon dispatch if transmitted by registered or certified mail, or in the case of any other transmission shall be effective upon the insurer's receipt of such notice.

SECTION 15. NONCODIFICATION The provisions of Section 1 of this act shall not be codified in the Oklahoma Statutes.

SECTION 16. This act shall become effective July 1, 1997.

SECTION 17. 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.

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