

SHORT TITLE: Insurance; restructuring and modifying membership of Guaranty Association board. Effective date. Emergency.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 896

By: Stipe

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 1991, Section 2026, which relates to the Board of Directors of the Oklahoma Life and Health Insurance Guaranty Association; modifying membership of the Board; providing for replacement of vacancies; directing the Commissioner to call a meeting to restructure the Board; providing for votes of insurer members; providing for appointment in certain circumstances; providing an effective date; and declaring an emergency.

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 Insurance Guaranty Association shall consist of ~~not less than five (5) nor more than~~ nine (9) member insurers, of which five member insurers shall be selected from the thirty foreign insurer members which write the largest volume of life and accident and health insurance premiums in Oklahoma, 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 Commissioner. Vacancies on the Board shall be filled for the remaining period of the term and shall be from the

same classification of member insurers as the member insurer whose withdrawal, resignation, or removal from the Board created the vacancy. Vacancies shall be filled 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. Within sixty (60) days after the effective date of this act, the Commissioner shall give notice to all member insurers of the time and place for a meeting to restructure the Board and select the five new members as provided for in subsection A of this section. The Commissioner shall select the four current insurer members of the Board which will remain on the Board. The five new members will serve out the term of the member insurer they have been selected to replace. Each member insurer shall be entitled to one vote in person or by proxy. If the Board is not restructured within sixty (60) days after the date set for the meeting, the Commissioner, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint the Board members in accordance with subsection A of this section.

C. In approving selections or in appointing members to the Board, the Commissioner shall consider, among other things, whether all member insurers are fairly represented.

~~C.~~ D. 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 July 1, 1998.

SECTION 3. 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.

46-2-2466

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