

and

Aldridge of the Senate

An Act relating to insurance; amending 36 O.S. 2001, Section 1106, which relates to surplus lines; modifying what constitutes surplus line; modifying conditions for procuring surplus line insurance; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 1106, is amended to read as follows:

Section 1106. If ~~the amount of~~ insurance required to protect the interest of the assured cannot be procured from authorized insurers after direct inquiry to such insurers, such ~~amount insurance~~, hereinafter designated as "surplus line", may be procured from unauthorized insurers subject to the following conditions:

1. The unauthorized insurer must have a certificate of approval from the Commissioner, and meet all relevant statutory requirements, including the following:

- a. the insurer is financially stable, and
- b. the insurer is controlled by persons possessing competence, experience and integrity, and
- c. the insurer, if a foreign insurer, posts a special deposit in an amount to be determined by the Commissioner, or
- d. the insurer, if an alien insurer, is listed on the National Association of Insurance Commissioners Non-Admitted Insurers Quarterly Listing.

The Commissioner may withdraw a certificate of approval or refuse to renew a certificate upon finding that the insurer no longer meets the criteria for approval set out herein;

2. The insurance must be procured through a licensed surplus line broker, hereinafter in this article referred to as the "broker"; and

3. ~~The amount of insurance required to protect the interest of the assured is not procurable, after diligent effort has been made to do so, from a majority of the insurers accessible to the broker which are authorized to transact that kind and class of insurance in this state, and the placing of insurance with an unauthorized insurer must not be for the purpose of securing advantages either as to premium rate or terms of the insurance contract~~ The broker shall file the appropriate affidavit as required by Section 1107 of this title.

SECTION 2. This act shall become effective November 1, 2006.

Passed the House of Representatives the 2nd day of March, 2006.

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Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2006.

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Presiding Officer of the Senate