

1 ENGROSSED HOUSE
2 BILL NO. 3115

By: Blackwell of the House
and
Laughlin of the Senate

3
4
5
6
7 (insurance - exclusions from Insurance Code -
8 effective date)
9

10
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 36 O.S. 2001, Section 110, is
13 amended to read as follows:

14 Section 110. No provision of the Oklahoma Insurance Code,
15 Section 101 et seq. of this title, shall apply to:

16 1. Nonprofit hospital service and medical indemnity
17 corporations, except as stated in Sections 601 et seq. and 2601 et
18 seq. of this title;

19 2. Fraternal benefit societies, except as stated in Section
20 2701.1 et seq. of this title;

21 3. Farmers' mutual fire insurance associations, except as
22 stated in Section 2801 et seq. of this title;

23 4. Mutual benefit associations, except as stated in Section
24 2401 et seq. of this title;

1 5. Domestic burial associations;

2 6. Any domestic association organized subject to the
3 supervision or by the authority of any incorporated Grange Order of
4 Patrons of Husbandry, when the association is formed exclusively for
5 the mutual benefit of the members of such order. Effective January
6 1, 1982, The Oklahoma State Union of the Farmers' Educational and
7 Cooperative Union of America shall comply with all provisions of the
8 Oklahoma Insurance Code;

9 7. Trust companies organized pursuant to the provisions of
10 Title 6 of the Oklahoma Statutes except that the title insurance and
11 surety insurance business of such trust companies shall be subject
12 to the Oklahoma Insurance Code;

13 8. Soliciting agents of mutual insurance corporations or
14 associations, operating only in this state, that issue no stock or
15 other form of security, do not operate for profit, and have none of
16 their funds inure to the benefit of individuals except in the form
17 of less expensive insurance and necessary expenses of operation, if
18 provisions are made in the bylaws of the insurer for the election of
19 any soliciting agents by a majority of the policyholders in the area
20 where the soliciting agent solicits insurance;

21 9. The Mutual Aid Association of the Church of the Brethren or
22 the Mutual Aid Association of the Mennonite and Brethren in Christ;

23 10. Incorporated or unincorporated banking associations having
24 been in existence for over fifteen (15) years and consisting of more

1 than seventy-five (75) member banks within this state for issuance
2 of blanket fidelity bonds for banks within this state for each
3 bank's own use, or any nonprofit trust sponsored by such
4 associations' member banks providing employee benefits such as life,
5 health, accident, disability, pension and retirement benefits for
6 banks, bank holding companies and subsidiaries thereof, the
7 associations' employees and associate members;

8 11. A religious ~~publication, or subscribers of the publication,~~
9 ~~when the publication~~ organization, or members of the organization,
10 if the organization:

- 11 a. is a nonprofit religious organization,
- 12 b. is limited to ~~subscribers~~ participants who are members
13 of the same ~~denomination or~~ religion,
- 14 c. acts as an organizational clearinghouse for
15 information between ~~subscribers~~ participants who have
16 financial, physical or medical needs and ~~subscribers~~
17 participants with the present ability to pay
18 ~~subscribers~~ for the benefit of those participants with
19 present financial or medical needs. Nothing in this
20 subparagraph shall prevent the organization from
21 establishing qualifications of participation relating
22 to the health of the prospective participant, nor
23 shall it prevent the participants from limiting the

24

1 financial or medical needs that may be eligible for
2 payment among the participants,

3 d. provides for the financial or medical needs of a
4 subscriber participant through payments directly from
5 one subscriber participant to another. The
6 requirements of this subparagraph may be satisfied by
7 the use of a trust, or restricted, account established
8 for the benefit of participants, in which the trust,
9 or restricted, account is annually audited by an
10 independent auditing firm, and

11 e. suggests amounts that ~~subscribers~~ participants may
12 voluntarily give with no assumption of risk or promise
13 to pay either among the ~~subscribers~~ participants or
14 between the ~~subscribers~~ participants and the
15 publication organization. Nothing in this
16 subparagraph shall prevent the organization from
17 cancelling the membership of a participant if the
18 participant indicates unwillingness to participate by
19 failing to make a payment to another participant for a
20 period in excess of sixty (60) days; or

21 12. Charitable organizations that:

22 a. are described in Section 501(c)(3) of the Internal
23 Revenue Code and Section 170(c) of the Internal
24 Revenue Code,

