

THE HOUSE OF REPRESENTATIVES  
Thursday, March 6, 2008

Committee Substitute for  
House Bill No. 3115

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3115 - By: BLACKWELL of the House.

( Insurance – exclusions from Insurance Code – effective date )

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

- 1 SECTION 1. AMENDATORY 36 O.S. 2001, Section 110, is amended to read as  
2 follows:
- 3 Section 110. No provision of the Oklahoma Insurance Code, Section 101 et seq. of  
4 this title, shall apply to:
- 5 1. Nonprofit hospital service and medical indemnity corporations, except as stated  
6 in Sections 601 et seq. and 2601 et seq. of this title;
  - 7 2. Fraternal benefit societies, except as stated in Section 2701.1 et seq. of this title;
  - 8 3. Farmers' mutual fire insurance associations, except as stated in Section 2801 et  
9 seq. of this title;
  - 10 4. Mutual benefit associations, except as stated in Section 2401 et seq. of this title;
  - 11 5. Domestic burial associations;

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

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

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

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

18          10. Incorporated or unincorporated banking associations having been in existence  
19 for over fifteen (15) years and consisting of more than seventy-five (75) member banks  
20 within this state for issuance of blanket fidelity bonds for banks within this state for each  
21 bank's own use, or any nonprofit trust sponsored by such associations' member banks  
22 providing employee benefits such as life, health, accident, disability, pension and

1 retirement benefits for banks, bank holding companies and subsidiaries thereof, the  
2 associations' employees and associate members;

3 11. A religious ~~publication, or subscribers of the publication, when the publication~~  
4 organization, or members of the organization, if the organization:

- 5 a. is a nonprofit religious organization,
- 6 b. is limited to ~~subscribers~~ participants who are members of the same  
7 ~~denomination or religion,~~
- 8 c. acts as an organizational clearinghouse for information between  
9 ~~subscribers~~ participants who have financial, physical or medical needs  
10 and ~~subscribers~~ participants with the present ability to pay  
11 ~~subscribers~~ for the benefit of those participants with present financial  
12 or medical needs. Nothing in this subparagraph shall prevent the  
13 organization from establishing qualifications of participation relating  
14 to the health of the prospective participant, nor shall it prevent the  
15 participants from limiting the financial or medical needs that may be  
16 eligible for payment among the participants,
- 17 d. provides for the financial or medical needs of a ~~subscriber~~ participant  
18 through payments directly from one ~~subscriber~~ participant to another.  
19 The requirements of this subparagraph may be satisfied by the use of a  
20 trust, or restricted, account established for the benefit of participants,  
21 in which the trust, or restricted, account is annually audited by an  
22 independent auditing firm, and

1 e. suggests amounts that ~~subscribers~~ participants may voluntarily give  
2 with no assumption of risk or promise to pay either among the  
3 ~~subscribers~~ participants or between the ~~subscribers~~ participants and  
4 the ~~publication~~ organization. Nothing in this subparagraph shall  
5 prevent the organization from cancelling the membership of a  
6 participant if the participant indicates unwillingness to participate by  
7 failing to make a payment to another participant for a period in excess  
8 of sixty (60) days; or

9 12. Charitable organizations that:

- 10 a. are described in Section 501(c)(3) of the Internal Revenue Code and  
11 Section 170(c) of the Internal Revenue Code,  
12 b. issue qualified charitable gift annuity contracts,  
13 c. have a minimum of One Hundred Thousand Dollars (\$100,000.00) in  
14 unrestricted assets that are exclusive of the assets comprising its  
15 qualified charitable gift annuities, and  
16 d. have been in continuous operation for at least three (3) years or are  
17 successors or affiliates of a charitable organization that has been in  
18 continuous operation for at least three (3) years,

19 except as stated in the Oklahoma Charitable Gift Annuity Act.

20 SECTION 2. This act shall become effective November 1, 2008.

21 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
22 FINANCIAL SERVICES, dated 03-05-08 - DO PASS, As Amended and Coauthored.