

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1370

By: Wilson

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5
6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2011,
8 Section 110, which relates to applicability of the
9 Oklahoma Insurance Code; requiring certain entities
10 to file annual report with the Insurance
11 Commissioner; specifying content of the report; and
12 providing an effective date.

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

14 SECTION 1. AMENDATORY 36 O.S. 2011, Section 110, is
15 amended to read as follows:

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

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

21 2. Fraternal benefit societies, except as stated in Section
22 2701.1 et seq. of this title;

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

1 4. Mutual benefit associations, except as stated in Section
2 2401 et seq. of this title;

3 5. Domestic burial associations;

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

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

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

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

1 10. Incorporated or unincorporated banking associations having
2 been in existence for over fifteen (15) years and consisting of more
3 than seventy-five (75) member banks within this state for issuance
4 of blanket fidelity bonds for banks within this state for each
5 bank's own use, or any nonprofit trust sponsored by such
6 associations' member banks providing employee benefits such as life,
7 health, accident, disability, pension and retirement benefits for
8 banks, bank holding companies and subsidiaries thereof, the
9 associations' employees and associate members;

10 11. A religious organization, or members of the organization,
11 if the organization:

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

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

3 d. provides for the financial or medical needs of a
4 participant through payments directly from one
5 participant to another, and

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

15 12. Charitable organizations that:

16 a. are described in Section 501(c)(3) of the Internal
17 Revenue Code and Section 170(c) of the Internal
18 Revenue Code,

19 b. issue qualified charitable gift annuity contracts,

20 c. have a minimum of One Hundred Thousand Dollars
21 (\$100,000.00) in unrestricted assets that are
22 exclusive of the assets comprising its qualified
23 charitable gift annuities, and
24

1 d. have been in continuous operation for at least three
2 (3) years or are successors or affiliates of a
3 charitable organization that has been in continuous
4 operation for at least three (3) years,
5 except as stated in the Oklahoma Charitable Gift Annuity Act.

6 B. The entities listed in subsection A of this section that
7 would be deemed an insurer if not for the provisions of subsection A
8 of this section shall be required to file an annual report with the
9 Insurance Commissioner. The report shall consist of data
10 reflecting:

11 1. Collection of premiums;

12 2. Policy renewals, terminations and refunds;

13 3. Claims settlement including failure to pay legitimate
14 claims, underpayment of claims and unreasonable delays in paying
15 claims; and

16 4. Any other consumer-oriented information deemed necessary by
17 the Commissioner.

18 The information collected pursuant to paragraphs 1 through 4 of
19 this subsection shall be made available to the public upon request.

20 SECTION 2. This act shall become effective November 1, 2012.

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