

1 **SENATE FLOOR VERSION**

2 March 27, 2014

3 ENGROSSED HOUSE
4 BILL NO. 2406

By: Grau of the House

5 and

6 Brooks of the Senate

7
8 An Act relating to insurance; amending 36 O.S. 2011,
9 Section 2006, which relates to the Oklahoma Property
10 and Casualty Insurance Guaranty Association Act;
11 changing entities directed to appoint certain board
12 members at the expiration of certain terms; and
13 providing an effective date.

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

15 SECTION 1. AMENDATORY 36 O.S. 2011, Section 2006, is
16 amended to read as follows:

17 Section 2006. A. The business and functions of the Oklahoma
18 Property and Casualty Insurance Guaranty Association shall be
19 managed and administered by a board of twelve (12) directors
20 composed of two members selected by the American Insurance
21 Association who are member insurers; at the expiration of the terms
22 of the members selected by the Alliance of American Insurers who are
23 serving on November 1, 2014, two members selected by the ~~Alliance of~~
24 ~~American~~ Property and Casualty Insurers Association of America who
are member insurers; at the expiration of the terms of the members

1 selected by the National Association of Independent Insurers who are
2 serving on November 1, 2014, two members selected by the National
3 Association of ~~Independent Insurers~~ Mutual Insurance Companies who
4 are member insurers; two Oklahoma domestic insurers who are member
5 insurers; two nonaffiliated foreign or alien insurers who are member
6 insurers; two insurance agents who shall serve as ex officio members
7 on the board. One of the ex officio members shall be the Executive
8 Director of the Independent Insurance Agents of Oklahoma, Inc.; the
9 other ex officio member shall be a licensed, resident property and
10 casualty insurance agent chosen by the Governor. Each member of the
11 board of directors shall designate a full-time salaried employee to
12 represent it on the board of directors. Each member except for the
13 ex officio members shall serve for a term of two (2) years. The ex
14 officio member who is appointed by the Governor shall serve at the
15 pleasure of the Governor. The members of the board of directors
16 except for the ex officio members shall be subject to approval by
17 the Commissioner. Vacancies on the board except for the ex officio
18 members shall be filled for the remaining period of the term by a
19 majority vote of the remaining board members, subject to the
20 approval of the Commissioner. If no members are selected and
21 appointed within sixty (60) days after the effective date of this
22 act, the Commissioner may appoint the initial members of the board
23 of directors.

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1 B. In approving selections to the board, the Commissioner shall
2 consider, among other things, whether all member insurers are fairly
3 represented.

4 C. Members of the board shall serve without compensation but
5 may be reimbursed from the assets of the Association for expenses
6 incurred by them as members of the board of directors.

7 SECTION 2. This act shall become effective November 1, 2014.

8 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE
9 March 27, 2014 - DO PASS

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