

BILL SUMMARY
1st Session of the 54th Legislature

Bill No.:	SB 911
Version:	CS
Request Number:	7805
Author:	Mulready
Date:	4/15/2013
Impact:	No impact

Research Analysis

SB911 is the insurance omnibus bills and contains the following provisions:

-requires confidential treatment of information obtained by the Insurance Commissioner through an examination or investigation, unless authorized by the insurer. However, the Commissioner is authorized to share and receive confidential information with a regulatory agency and the National Association of Insurance Commission (NAIC), provided these entities agree to maintain the privileged status of the documents

-removes the \$5000 bond requirement for life and health insurance brokers.

-provides that a fraternal benefit society's risk based credit (RBC) will be determined by the formula set by the RBC instructions, adopted by the Commissioner and incorporates fraternal benefit society into various sections of Title 36.

- modifies the meaning of a company action level event by increasing the authorized RBC multiplier from 2.5 to 3.

-defines the term *enterprise risk*, defined as any event involving one or more affiliates of an insurer that is likely to have a material adverse effect upon the financial condition or insurer.

-requires the controlling person of every insurer to file an annual enterprise risk report and provides that failure to file the annual enterprise risk report is a violation of law.

-modifies the procedure for determining maturity dates of annuity contracts issued after November 1, 2013

-requires contracts, prices list and statements for prepaid funeral benefits to be retained for at least six years;

-increases the minimum hours of continuing education required for an insurance adjuster from 20 to 24; and

-provides that a small employer carrier may include wellness programs, such as tobacco cessation, in the premium rate developments and allows employers to offer incentives to employees for participating the programs.

Prepared By: Quyen Do

Fiscal Analysis

CS for SB 911 would have no direct state fiscal impact.

Prepared By: Mark Nichols

Other Considerations

None.

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