

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1335
Version:	SAHB
Request Number:	NA
Author:	Rep. Sims
Date:	5/1/2019
Impact:	OID: \$0 anticipated

Research Analysis

The senate amendments to HB1335 remove provisions related to insufficiencies of protected cell accounts to discharge claims, compensation of receivers in the cases conservation, rehabilitation, or liquidation, and violations of the act.

HB1335 creates the Protected Cell Companies Act.

Section 2: The measure allows insurers to access alternative sources of funds through the creation of separate, protected cell accounts. The intention is to increase insurance securitization and insurance business transfer efficiency.

Section 3: Definitions.

Section 4: In order to create protected cell accounts, insurers must obtain an Insurance Commissioner-approved plan of operation. The measure outlines the duties and responsibilities of the directors of a protected cell company.

Section 5: Sets restrictions on protected cell accounts, allows the income of the accounts to be invested, allows protected cell companies to engage in fully-funded non-indemnity and indemnity triggered insurance securitization, relates to the contracts, and relates to the cessation of business of the private cell accounts.

Section 6: States protected cell assets are only available to creditors and establishes recourse. Relates to transaction obligations arising from protected cell account. Exempts protected cell accounts from being assessed by or required to contribute to any guaranty fund or association. Relates to establishment of protected cell accounts as not grounds for fraudulent conveyance.

Section 7: Relates to receivership of conservation, rehabilitation, or liquidation of a protected cell company.

Section 8: States that protected cell company insurance securitization shall not be considered an insurance contract.

Section 9: Directs Commissioner to promulgate rules.

Prepared By: Anna Rouw

Fiscal Analysis

The measure relates to creating the Protected Cell Companies Act. After analysis, the measure has a \$0 anticipated fiscal impact to the Oklahoma Department of Insurance.

Prepared By: Jenny Mobley

Other Considerations

None.

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