BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	**HB 3746**
Version:	**Proposed Committee Substitute**
Request Number:	**11171**
Author:	**Moore**
Date:	**2/24/2020**
Impact: Please see previous summary of this measure	

<u>Research Analysis</u>

The PCS to HB 3746 modifies numerous sections of the Insurance Code. The measure:

- Sets a civil penalty for insurers failing to file market conduct annual statements to the Insurance Commissioner, with a maximum fine of $1,000;
- Requires insurers' Business Character Report to be current and no older than six years;
- Authorizes the Oklahoma Automobile Insurance Plan to issue policies and to act on behalf of participating members. The Plan is directed to file an annual financial statement with the Commissioner and the Commissioner is directed to promulgate rules;
- Removes 60-day deadline for surplus lines licensees to remit surplus line tax;
- Adds 30-day deadline for insurers to reimburse clean claims related to health insurance if the claim is received electronically;
- Adds 90-day deadline for insurers to notify insureds not represented by an attorney of expiring statute of limitations;
- Allows for transferred motor vehicle titles from insured to insurer to be paid via electronic payment;
- Increases deadline for insurance administrators to notify the Insurance Commissioner of any terminated licensees from 15 to 30 days;
- Requires applicants for an administrator license to provide a background report;
- Modifies membership of the Oklahoma Property and Casualty Insurance Guaranty Association Board and allows for members to appoint alternative representatives to serve in their absence;
- Provides that if an insurer cancel's a homeowner's policy, the cancellation will take effect on the date of the new coverage;
- Removes the requirement that group life insurance policies file a schedule of premium rates; and
- Transfers certifying authority of health maintenance organizations from the State Commissioner of Health to the Insurance Commissioner.

The measure also adds new sections of law, including:

- Allowing a name change for prepaid funeral benefit permit holders, provided the permit holder obtain approval from the Insurance Commissioner within 30 days of the name change. The measure requires certain information to be included on the form;
- Allowing dormant captive insurance companies to receive a certificate of dormancy. The measure defines *dormant captive insurance company.* If a dormant captive insurance company receives a certificate of dormancy, the company must maintain minimum paid-in capital of $25,000, pay a renewal fee of $500, and submit an annual report of its financial condition.

Dormant captive insurance companies are not liable for any tax. Certificates of dormancy may be revoked.

Prepared By: Anna Rouw

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.