

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 979

By: Quinn, Matthews, Simpson,
and Hicks

COMMITTEE SUBSTITUTE

An Act relating to Insurance; amending 36 O.S. 2021, Section 607, which relates to general qualifications to transact insurance; providing that certain insurance companies and entities may apply for certain certificates of authority under certain circumstances; requiring certain companies and entities to establish a regional home office with certain employees; requiring certain companies and entities to maintain security deposits; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2021, Section 607, is amended to read as follows:

Section 607. A. To qualify for and hold authority to transact insurance in Oklahoma an insurer must be otherwise in compliance with the provisions of this Code and with its charter powers, and must be an incorporated stock insurer, an incorporated mutual insurer, a mutual benefit association, a nonprofit hospital service and medical indemnity corporation, a farmers mutual fire insurance association, a Lloyd's association syndicate or a reciprocal

1 insurer, of the same general type as may be formed as a domestic
2 insurer under this Code; except, that no foreign or alien insurer
3 shall be authorized to transact insurance in Oklahoma which does not
4 maintain reserves as required by Article 15 of this Code applicable
5 to the kind or kinds of insurance transacted by such insurer.

6 B. No certificate of authority or license to transact any kind
7 of direct insurance business in this state shall be issued, renewed
8 or continued in effect, to any domestic, foreign or alien insurance
9 company or other insurance entity which is owned or financially
10 controlled in whole or in part by another state of the United
11 States, or by a foreign government, or by any political subdivision
12 of either, or which is an agency of any such state, government or
13 subdivision.

14 C. A domestic, foreign, or alien insurance company, or entity
15 thereof which is owned or financially controlled in whole or in part
16 by another state of the United States, a foreign government, or any
17 political subdivision thereof, or which is an agency of any such
18 state, government, or subdivision may apply only for a certificate
19 of authority as a reinsurer. Such insurance company or entity shall
20 establish and maintain a regional home office in this state, in a
21 building owned or leased by the insurer, that employs Oklahoma
22 employees as defined pursuant to Section 625.1 of this title.
23 Insurance companies or entities obtaining a certificate of authority
24 under this subsection shall maintain security deposits pursuant to

1 this code in a bank as defined pursuant to Section 102 of Title 6 of
2 the Oklahoma Statutes.

3 D. Any insurance company or other insurance entity which is
4 owned or financially controlled in whole or in part by any federally
5 recognized American Indian tribe or nation may apply for a
6 certificate of authority or license to transact insurance business
7 in this state and will not be subject to subsection B of this
8 section.

9 SECTION 2. This act shall become effective November 1, 2022.

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