

1 ENGROSSED SENATE
2 BILL NO. 1030

By: Quinn of the Senate

3 and

4 Mize of the House

5
6 An Act relating to the Oklahoma Insurance Code;
7 amending 36 O.S. 2011, Section 311.4, as amended by
8 Section 1, Chapter 275, O.S.L. 2014 (36 O.S. Supp.
9 2020, Section 311.4), which relates to frequency of
10 examinations and filing fees; providing deadline for
11 paying certain fee; establishing civil penalty for
12 violation; providing enforcement method of penalty;
13 and 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 311.4, as
16 amended by Section 1, Chapter 275, O.S.L. 2014 (36 O.S. Supp. 2020,
17 Section 311.4), is amended to read as follows:

18 Section 311.4. A. Insurers authorized to do business under the
19 provisions of the Oklahoma Insurance Code shall annually file with
20 the Insurance Commissioner market conduct annual statements
21 reporting market conduct data of insurers on the thirty-first day of
22 December of the previous year. The statements shall report on the
23 lines of insurance and be in such general form and context as
24 approved by the National Association of Insurance Commissioners
(NAIC), and as supplemented for additional information required by
the Insurance Commissioner by rule. The statements shall be

1 prepared in accordance with NAIC instructions⁷ including any
2 supplemental filings described in the NAIC instructions. If no
3 forms or instructions are available from the National Association of
4 Insurance Commissioners, the statements shall be in the form and
5 pursuant to instructions and deadlines as provided by the Insurance
6 Commissioner. Insurers not authorized by the Insurance Commissioner
7 to provide the lines of insurance approved by the National
8 Association or the Insurance Commissioner shall not be required to
9 file market conduct annual statements. For good cause shown, the
10 Insurance Commissioner may extend the time within which market
11 conduct annual statements may be filed. The Insurance Commissioner
12 may provide copies of market conduct annual statements, amendments,
13 and addendums to such statements and market conduct data taken from
14 such statements to the National Association of Insurance
15 Commissioners only if, prior to sharing of the market conduct annual
16 statements, amendments, addendums to such statements or market
17 conduct data taken from such statements, the National Association of
18 Insurance Commissioners enters into a written agreement with the
19 Insurance Commissioner to maintain the confidentiality of the shared
20 information.

21 B. The Insurance Commissioner may adopt rules implementing this
22 section including rules that:

23 1. Add lines of insurance to be reported in market conduct
24 annual statements; and

1 2. Require the filing of market conduct annual statements and
2 any amendments and addendums to such statements with the National
3 Association of Insurance Commissioners, and the payment of
4 applicable filing fees required by the NAIC.

5 C. Insurers shall pay a filing fee of Two Hundred Dollars
6 (\$200.00) to the Insurance Commissioner for the filing of the market
7 conduct annual statement due at the time of filing, in accordance
8 with NAIC filing deadlines.

9 D. No waiver of an applicable privilege or claim of
10 confidentiality in the documents, materials, or other information
11 shall occur as a result of disclosure to the Insurance Commissioner
12 or the Commissioner's designee under this section or as a result of
13 sharing the documents, materials or other information as provided in
14 this section.

15 E. Market conduct annual statements and any amendments and
16 addendums to such statements, filed with the Insurance Commissioner
17 pursuant to this section in electronic format or otherwise, shall be
18 treated as working papers and documents as set out in subsection F
19 of Section 309.4 of this title.

20 F. The Insurance Commissioner may use market conduct annual
21 statements or amendments or addendums to such statements to assist
22 in determining whether a market conduct examination or investigation
23 of an insurer should be conducted. For purposes of completing a
24 market conduct examination of any company under Sections 309.1

1 through 309.7 of this title, the Insurance Commissioner may, in the
2 sole discretion of the Insurance Commissioner, use market conduct
3 annual statements or amendments or addendums to such statements to
4 assist in determining compliance with the laws of this state and
5 rules adopted by the Insurance Commissioner.

6 G. For any violation of this section, the Insurance
7 Commissioner may, after notice and opportunity for a hearing,
8 subject an insurer to a civil penalty of up to One Thousand Dollars
9 (\$1,000.00) for each occurrence. The civil penalty may be enforced
10 in the same manner in which civil judgments may be enforced.

11 SECTION 2. This act shall become effective November 1, 2021.

12 Passed the Senate the 10th day of March, 2021.

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15 Presiding Officer of the Senate

16 Passed the House of Representatives the ____ day of _____,
17 2021.

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19 _____
20 Presiding Officer of the House
21 of Representatives
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