

1 ENGROSSED SENATE
2 BILL NO. 1241

By: Quinn of the Senate

3 and

4 Sneed of the House

5
6 An Act relating to insurance; amending 36 O.S. 2021,
7 Sections 1683, 1684, 1685, and 1686, which relate to
8 the Insurance Business Transfer Act; modifying and
9 providing definitions; conforming language; requiring
10 certain notice be provided by transferring insurer;
11 modifying means of transmission of notice; modifying
12 terms for plan approval and petition process;
13 modifying inclusions for certain court judgement and
14 order; providing that certain unexpired and in-force
15 policies not be transferred; allowing court to
16 approve certain requested transfer with deferred
17 effectiveness; updating statutory language; and
18 declaring an emergency.

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

20 SECTION 1. AMENDATORY 36 O.S. 2021, Section 1683, is
21 amended to read as follows:

22 Section 1683. 1. "Affiliate" has the meaning ascribed to such
23 term in Section 1631 of ~~Title 36 of the Oklahoma Statutes~~ this
24 title.

25 2. "Applicant" means an assuming insurer, a transferring
26 insurer, or a reinsurer applying to the Commissioner for approval of
27 an Insurance Business Transfer Plan pursuant to this act under
28 Section 1686 of this title.

1 3. "Assuming insurer" means an insurer domiciled in ~~the State~~
2 ~~of Oklahoma~~ this state that assumes or seeks to assume policies from
3 a transferring insurer pursuant to this act. An assuming insurer
4 may be a company established pursuant to the Oklahoma Captive
5 Insurance Company Act.

6 4. "Court" means the ~~District Court~~ district court of Oklahoma
7 ~~County, Oklahoma~~ a county in Oklahoma with a population of more than
8 two hundred fifty thousand (250,000).

9 5. "Department" means the ~~Oklahoma~~ Insurance Department.

10 6. "Commissioner" means the ~~Oklahoma~~ Insurance Commissioner.

11 7. "Implementation order" means an order issued by the ~~Court~~
12 court under Section 1686 of this title.

13 8. "Independent expert" means a person who shall assist the
14 Commissioner and the court in connection with their review of a
15 proposed transaction. The Commissioner shall select an independent
16 expert from a list of at least two nominees submitted jointly by the
17 transferring insurer and the assuming insurer; provided, however, if
18 the Commissioner, in his or her sole discretion, rejects the
19 nominees submitted jointly by the transferring insurer and the
20 assuming insurer, the Commissioner may appoint another person to
21 serve as an independent expert. An independent expert selected
22 under this subsection shall meet all of the following criteria:

- 23 a. hold no financial interest in either the assuming
24 insurer or the transferring insurer,

- 1 b. not be employed by, or act as an officer, director,
2 consultant, or independent contractor for either the
3 assuming insurer or the transferring insurer within
4 the previous twelve (12) months,
- 5 c. not be simultaneously appointed by the Commissioner to
6 assist in any capacity in any proceeding initiated
7 pursuant to Article 18 or Article 19 of this title,
- 8 d. receives or is promised no compensation in connection
9 with the Insurance Business Transfer for which he or
10 she is selected to serve as an independent expert;
11 provided, however, a fee may be approved by the
12 Commissioner that is not contingent upon the approval
13 or consummation of an Insurance Business Transfer
14 Plan, and
- 15 e. provides proof of insurance covering the services
16 provided as an independent expert, to be approved by
17 the commissioner.

18 9. "Insurance Business Transfer" means a transfer and novation
19 in accordance with this act. Insurance Business Transfers will
20 transfer insurance obligations, ~~or~~ risks, ~~or both~~ rights, or any
21 combination thereof, of existing or in-force contracts of insurance
22 or reinsurance from a transferring insurer to an assuming insurer.
23 Once approved pursuant to this act, the Insurance Business Transfer
24 will effect a transfer and novation of the transferred contracts of

1 insurance or reinsurance with the result that the assuming insurer
2 becomes directly liable to the policyholders of the transferring
3 insurer and the transferring insurer's insurance obligations or
4 risks, or both, under the contracts are extinguished.

5 ~~9.~~ 10. "Insurance Business Transfer Plan" or "Plan" means the
6 plan submitted to the Department to accomplish the transfer and
7 novation pursuant to an Insurance Business Transfer, including any
8 associated transfer of assets and rights from or on behalf of the
9 transferring insurer to the assuming insurer.

10 ~~10.~~ "~~Independent expert~~" means ~~an impartial person who has no~~
11 ~~financial interest in either the assuming insurer or transferring~~
12 ~~insurer, has not been employed by or acted as an officer, director,~~
13 ~~consultant or other independent contractor for either the assuming~~
14 ~~insurer or transferring insurer within the past twelve (12) months,~~
15 ~~is not appointed by the Commissioner to assist in any capacity in~~
16 ~~any proceeding initiated pursuant to Article 18 or Article 19 of~~
17 ~~Title 36 of the Oklahoma Statutes and is receiving no compensation~~
18 ~~in connection with the transaction governed by this act other than a~~
19 ~~fee based on an hourly basis that is not contingent on the approval~~
20 ~~or consummation of an Insurance Business Transfer and provides proof~~
21 ~~of insurance coverage that is satisfactory to the Commissioner.~~

22 11. "Insurer" means an insurance or surety company, including a
23 reinsurance company, and shall be deemed to include a corporation,
24 company, partnership, association, society, order, individual or

1 aggregation of individuals engaging in or proposing or attempting to
2 engage in any kind of insurance or surety business, including the
3 exchanging of reciprocal or inter-insurance contracts between
4 individuals, partnerships and corporations.

5 12. "Petitioner" means an assuming insurer, transferring
6 insurer, or reinsurer petitioning a court for an order of approval
7 and implementation of a Plan pursuant to this act.

8 13. "Policy" means a policy, annuity contract or certificate of
9 insurance or a contract of reinsurance pursuant to which the insurer
10 agrees to assume an obligation or risk, or both, of the policyholder
11 or to make payments on behalf of, or to, the policyholder or its
12 beneficiaries, and shall include property, casualty, life, health
13 and any other line of insurance the Commissioner finds, pursuant to
14 this act, via regulation is suitable for an insurance business
15 transfer.

16 ~~13.~~ 14. "Policyholder" means an insured or a reinsured under a
17 policy ~~that~~ which is part of the subject business.

18 ~~14.~~ 15. "Subject business" means the policy or policies
19 designated for transfer and novation ~~that are the subject of the~~
20 pursuant to a corresponding Insurance Business Transfer Plan.

21 ~~15.~~ 16. "Transfer and novation" means the transfer of insurance
22 obligations, ~~or~~ risks, rights, or ~~both~~ any combination thereof, of
23 existing or in-force policies from a transferring insurer to an
24 assuming insurer, and is intended to effect a transfer and novation

1 of the transferred policies with the result that the assuming
2 insurer becomes directly liable to the policyholders of the
3 transferring insurer on the transferred policies and the
4 transferring insurer's insurance obligations, ~~or~~ risks, rights, or
5 ~~both any combination thereof,~~ under the transferred policies are
6 extinguished.

7 ~~16.~~ 17. "Transferring insurer" means an insurer or reinsurer
8 ~~that~~ which seeks to or has accomplished a transfer and novation of
9 ~~transfers and novates or seeks to transfer and novate~~ obligations,
10 ~~or~~ risks, rights, or ~~both any combination thereof,~~ under one or more
11 policies to an assuming insurer pursuant to an Insurance Business
12 Transfer Plan and the provisions of this act.

13 SECTION 2. AMENDATORY 36 O.S. 2021, Section 1684, is
14 amended to read as follows:

15 Section 1684. A. The court considering ~~applications~~ petitions
16 brought under the Insurance Business Transfer Act shall have the
17 same jurisdiction as a court order under Article 19 of ~~Title 36 of~~
18 ~~the Oklahoma Statutes~~ this title.

19 B. Venue for all court proceedings under this act shall lie in
20 the ~~District Court of Oklahoma County, Oklahoma~~ court as defined
21 pursuant to subsection 4 of Section 1683 of this title.

22 C. Notwithstanding any other provision of law, the court may
23 issue any order, process, or judgment ~~that is~~ necessary or
24 appropriate to carry out the provisions of this act. No provision

1 of this act shall be construed to preclude the court from, on its
2 own motion, taking any action or making any determination necessary
3 or appropriate to enforce or implement court orders or rules, or to
4 prevent an abuse of power.

5 SECTION 3. AMENDATORY 36 O.S. 2021, Section 1685, is
6 amended to read as follows:

7 Section 1685. A. Whenever notice is required to be given ~~by~~
8 ~~the applicant~~ under the Insurance Business Transfer Act and except
9 as otherwise permitted or directed by the court or the Insurance
10 Commissioner, ~~the applicant shall,~~ the notice shall be transmitted
11 within ~~fifteen (15)~~ forty-five (45) days of the event triggering the
12 requirement, ~~cause transmittal of the notice:~~

13 1. By first-class mail, postage prepaid to the chief insurance
14 regulator in each jurisdiction in which the ~~applicant~~ transferring
15 insurer:

- 16 a. holds or has ever held a certificate of authority, and
17 b. in which policies that are part of the subject
18 business were issued or policyholders currently
19 reside;

20 2. By certified first-class mail, postage prepaid to the
21 National Conference of Insurance Guaranty Funds, the National
22 Organization of Life and Health Insurance Guaranty Associations and
23 all state insurance guaranty associations for the states in which
24 the ~~applicant~~ transferring insurer:

1 a. holds or has ever held a certificate of authority, and

2 b. in which policies that are part of the subject
3 business were issued or policyholders currently
4 reside;

5 3. To reinsurers of the ~~applicant~~ transferring insurer pursuant
6 to the notice provisions of the reinsurance agreements applicable to
7 the policies that are part of the subject business, or where an
8 agreement has no provision for notice, by internationally recognized
9 delivery service;

10 4. By United States mail, first-class postage prepaid, or by
11 any internationally recognized delivery service, to all
12 policyholders holding policies that are part of the subject
13 business, at their last-known address as indicated by the records of
14 the ~~applicant~~ transferring insurer or to the address to which
15 premium notices or other policy documents are sent. ~~A notice of~~
16 ~~transfer~~ Notice shall also be sent to the transferring insurer's
17 agents or brokers of record on the subject business; ~~and~~

18 5. By electronic means to any person or entity identified in
19 subsection A of this section who provided consent to notice or
20 service in an agreement included in or related to the subject
21 business or otherwise consents in writing to receiving service by
22 electronic mail and provides instructions for making the electronic
23 notice or service. For the purposes of this subsection, "electronic
24

1 means" shall include communications by facsimile or electronic mail;
2 and

3 6. By publication in a newspaper of general circulation in the
4 state in which the ~~applicant~~ transferring insurer has its principal
5 place of business and in such other publications that the
6 Commissioner requires.

7 B. If notice is given in accordance with this section, any
8 information or orders under this act shall be conclusive with
9 respect to all intended recipients of the notice, whether or not
10 ~~they~~ the intended recipients receive actual notice.

11 C. Where this act requires that the applicant or petitioner
12 provide notice, ~~but the Commissioner has been named receiver of the~~
13 ~~applicant~~ a receiver of the insurer has been appointed pursuant to
14 the laws of the insurer's home jurisdiction, the ~~Commissioner~~
15 receiver shall provide the required notice.

16 SECTION 4. AMENDATORY 36 O.S. 2021, Section 1686, is
17 amended to read as follows:

18 Section 1686. A. Application Procedure to the Commissioner for
19 Approval of Insurance Business Transfer Plan.

20 1. An Insurance Business Transfer Plan must be filed by the
21 applicant with the Insurance Commissioner for his or her review and
22 approval. The Plan must contain the information set forth below or
23 an explanation as to why the information is not included. The Plan
24 may be supplemented or revised with additional, updated, or ~~by~~ other

1 information as it becomes available or when deemed necessary by the
2 Commissioner:

- 3 a. the name, address and telephone number of the
4 transferring insurer and the assuming insurer and
5 their respective direct and indirect controlling
6 persons, if any,
- 7 b. summary of the Insurance Business Transfer Plan,
- 8 c. identification and description of the subject
9 business,
- 10 d. most recent audited financial statements and statutory
11 annual and quarterly reports of the transferring
12 insurer and assuming insurer filed with their
13 domiciliary regulator,
- 14 e. the most recent actuarial report and opinion that
15 quantify the liabilities associated with the subject
16 business,
- 17 f. pro-forma financial statements showing the projected
18 statutory balance sheet, results of operations and
19 cash flows of the assuming insurer for the three (3)
20 years following the proposed transfer and novation,
- 21 g. officers' certificates of the transferring insurer and
22 the assuming insurer attesting that each has obtained
23 all required internal approvals and authorizations
24 regarding the Insurance Business Transfer Plan and

1 completed all necessary and appropriate actions
2 relating thereto,

3 h. proposal for Plan implementation and administration,
4 ~~including the form of notice to be provided under the~~
5 ~~Insurance Business Transfer Plan to any policyholder~~
6 ~~whose policy is part of the subject business,~~

7 i. form of notice to be provided under the Insurance
8 Business Transfer Plan to any policyholder whose
9 policy is part of the subject business including full
10 description as to how such notice shall be provided,

11 j. description of any reinsurance arrangements that ~~would~~
12 will pass to the assuming insurer under the Insurance
13 Business Transfer Plan,

14 k. description of any guarantees or additional
15 reinsurance that will cover the subject business
16 following the transfer and novation,

17 l. a statement describing the assuming insurer's proposed
18 investment policies and any contemplated third-party
19 claims management and administration arrangements,

20 m. evidence of approval or nonobjection of the transfer
21 from the chief insurance regulator of the state of the
22 transferring insurer's domicile, and

23 n. an opinion report from an independent expert, ~~selected~~
24 ~~by the Commissioner from a list of at least two~~

1 ~~nominees submitted jointly by the transferring insurer~~
2 ~~and the assuming insurer, to assist the Commissioner~~
3 ~~and the court in connection with their review of the~~
4 ~~proposed transaction. Should the Commissioner, in his~~
5 ~~or her sole discretion, reject the nominees, he or she~~
6 ~~may appoint the independent expert. The report which~~
7 shall provide the following:

- 8 (1) a statement of the independent expert's
9 professional qualifications and descriptions of
10 the experience that qualifies him or her as an
11 expert suitable for the engagement,
- 12 (2) whether the independent expert has, or has had,
13 direct or indirect interest in the transferring
14 or assuming insurer or any of their respective
15 affiliates,
- 16 (3) the scope of the report,
- 17 (4) a summary of the terms of the Insurance Business
18 Transfer Plan to the extent relevant to the
19 report,
- 20 (5) a listing and summaries of documents, reports and
21 other material information the independent expert
22 has considered in preparing the report and
23 whether any information requested was not
24 provided,

1 (6) the extent to which the independent expert has
2 relied on information provided by and the
3 judgment of others,

4 (7) the people ~~on~~ upon whom the independent expert
5 has relied and why, in his or her opinion, such
6 reliance is reasonable,

7 (8) the independent expert's opinion of the likely
8 effects of the Insurance Business Transfer Plan
9 on policyholders, reinsurers, and claimants,
10 distinguishing between:

11 (a) transferring policyholders, reinsurers, and
12 claimants,

13 (b) policyholders, reinsurers, and claimants of
14 the transferring insurer whose policies will
15 not be transferred, and

16 (c) policyholders, reinsurers, and claimants of
17 the assuming insurer,

18 (9) for each opinion that the independent expert
19 expresses in the report the facts and
20 circumstances supporting the opinion, and

21 (10) consideration as to whether the security position
22 of policyholders that are affected by the
23 Insurance Business Transfer are materially
24 adversely affected by the transfer.

1 2. The independent expert's opinion report as required by
2 subparagraph n of paragraph 1 of this subsection shall include, but
3 not be limited to, a review of the following:

- 4 a. analysis of the transferring insurer's actuarial
5 review of reserves for the subject business to
6 determine the reserve adequacy,
- 7 b. analysis of the financial condition of the
8 transferring insurer and assuming ~~insurers~~ insurer and
9 the effect the ~~transfer~~ Insurance Business Transfer
10 will have on the financial condition of each insurance
11 company,
- 12 c. review of the plans or proposals the assuming insurer
13 has with respect to the administration of the policies
14 subject to the ~~proposed transfer~~ plan,
- 15 d. whether the proposed transfer has a material, adverse
16 ~~impact~~ effect on the policyholders, reinsurers, and
17 claimants of the transferring and the assuming
18 insurers,
- 19 e. analysis of the assuming insurer's corporate
20 governance structure to ensure ~~that there is~~ proper
21 board and management oversight and expertise to manage
22 the subject business, and
- 23 f. any other information ~~that~~ the Commissioner requests
24 in order to review the Insurance Business Transfer.

1 3. The Commissioner shall have sixty (60) business days from
2 the date of receipt of a complete Insurance Business Transfer Plan
3 to review the Plan to determine if the applicant is authorized to
4 submit it to the court. The Commissioner may extend the sixty-day
5 review period for an additional thirty (30) business days.

6 4. The Commissioner shall authorize the submission of the Plan
7 to the court unless he or she finds that the Insurance Business
8 Transfer ~~would have~~ will cause a material adverse ~~impact~~ effect on
9 the interests of policyholders, reinsurers, or claimants that are
10 part of the subject business.

11 5. If the Commissioner determines that the Insurance Business
12 Transfer ~~would have~~ will cause a material adverse ~~impact~~ effect on
13 the interests of policyholders, reinsurers, or claimants that are
14 part of the subject business, ~~he or she~~ the Commissioner shall
15 notify the applicant and specify any modifications, supplements or
16 amendments and any additional information or documentation with
17 respect to the Plan that must be provided to the Commissioner before
18 he or she will allow the applicant to proceed with the court filing.

19 6. The applicant shall have thirty (30) days from the date the
20 Commissioner notifies him or her, pursuant to paragraph 5 of this
21 subsection, to file an amended Insurance Business Transfer Plan
22 providing the modifications, supplements or amendments and
23 additional information or documentation as requested by the
24 Commissioner. If necessary the applicant may request in writing an

1 extension of time of thirty (30) days. If the applicant does not
2 make an amended filing within the time period provided for in this
3 paragraph, including any extension of time granted by the
4 Commissioner, the Insurance Business Transfer Plan filing will
5 terminate and a subsequent filing by the applicant will be
6 considered a new filing which shall require compliance with all
7 provisions of this act as if the prior filing had never been made.

8 7. The Commissioner's review period in paragraph 3 of this
9 subsection shall recommence when the modification, supplement,
10 amendment or additional information requested in paragraph 5 of this
11 subsection is received.

12 8. If the Commissioner determines that the ~~Plan~~ applicant may
13 proceed with filing a petition with the court ~~filing~~ seeking
14 approval and implementation of the Plan, the Commissioner shall
15 confirm that fact in writing to the applicant.

16 B. ~~Application~~ Petition to the court for approval and
17 implementation of the Insurance Business Transfer Plan.

18 1. Within thirty (30) days after ~~notice~~ the filing and
19 transmission of the Commissioner's order determining the ~~from the~~
20 ~~Commissioner that the applicant may proceed with the court filing,~~
21 ~~the applicant shall apply to the court for approval of the Insurance~~
22 ~~Business Transfer Plan~~ satisfies the requirements of this act, the
23 assuming insurer, transferring insurer, or reinsurer may file a
24 petition with the court seeking an order of approval and

1 implementation of the Insurance Business Transfer Plan. Upon
2 written request by the applicant to the Commissioner, the
3 ~~Commissioner may extend the period for filing an application a~~
4 petition under this subsection with the court may be extended for an
5 additional thirty (30) days.

6 2. The ~~applicant petition shall inform the court of the reasons~~
7 ~~why he or she petitions the court to find no material adverse impact~~
8 ~~to policyholders or claimants affected by the proposed transfer.~~

9 include:

- 10 a. relief sought,
- 11 b. information, arguments, and authorities supporting the
12 requested relief including information and analysis
13 which will support the court's finding that the plan
14 will not result in a material adverse effect to
15 policyholders, reinsurers, or claimants,
- 16 c. the Insurance Business Transfer Plan,
- 17 d. preliminary list of witnesses and exhibits which the
18 petitioner reasonably intends to present to the court,
19 and
- 20 e. request for the court to enter judgement in favor of
21 the petitioner, which shall include finding of fact,
22 conclusion of law, order of approval and
23 implementation of the Plan, and retention of
24 jurisdiction to allow the parties to request such

1 orders regarding incidental, consequential, and
2 supplementary matters necessary to assure the full and
3 effective implementation of the Plan.

4 3. ~~The application shall be in the form of a verified petition~~
5 ~~for implementation of the Insurance Business Transfer Plan in the~~
6 ~~court. The petition shall include the Insurance Business Transfer~~
7 ~~Plan and shall identify any documents and witnesses which the~~
8 ~~applicant intends to present at a hearing regarding the petition.~~

9 4. The Commissioner shall be a party to the proceedings before
10 the court concerning the petition and shall be served with copies of
11 all filings pursuant to subsection D of Section 2005 of Title 12 of
12 the Oklahoma Statutes and the Rules for District Courts of Oklahoma.

13 4. The Commissioner's position in the proceeding shall not be
14 limited by his or her initial review of the Plan.

15 5. ~~Following the filing of the petition, the applicant shall~~
16 ~~file a motion for a scheduling order setting a hearing on the~~
17 ~~petition. Within thirty (30) days after the filing of the petition,~~
18 ~~the petitioner shall file a request for the court to enter a~~
19 ~~preliminary scheduling order, which shall include a date and time~~
20 ~~for a status conference. The status conference shall occur no less~~
21 ~~than fourteen (14) days after the conclusion of the sixty (60) day~~
22 ~~comment period required in paragraph 8 of this subsection.~~

23 6. Within ~~fifteen (15)~~ forty-five (45) days after ~~receipt of~~
24 the court enters the preliminary scheduling order, the applicant

1 petitioner shall cause the transmission and publication of a notice
2 of the hearing to be provided matter before the court in accordance
3 with the notice provisions of Section 1685 of this title. ~~Following~~
4 ~~the date of distribution of the notice, there shall be a sixty day~~
5 ~~comment period.~~

6 7. The notice ~~to policyholders shall state or provide~~ include:

7 a. the date and time of the ~~approval hearing~~ status
8 conference required in paragraph 5 of this subsection,

9 b. the name, address and telephone number of the assuming
10 insurer, ~~and~~ transferring insurer, and Commissioner
11 for policyholders to contact to obtain further
12 information,

13 c. ~~that a policyholder may comment on or object to the~~
14 ~~transfer and novation~~ procedures and deadlines for
15 policyholders, claimants, and third parties to submit
16 comments, objections, and requests to be heard at
17 trial regarding the Plan,

18 d. ~~the procedures and deadline for submitting comments or~~
19 ~~objections on the Plan~~ procedure for policyholders to
20 request the petitioner provide one (1) hard copy, free
21 of charge, to policyholders unable to access or
22 acquire an electronic copy of the Plan and associated
23 information, if any,

24

- 1 e. ~~a summary of any effect that the transfer and novation~~
2 ~~will have on the policyholder's rights~~ the order
3 entered by the Commissioner pursuant to paragraph 8 of
4 subsection A of this section including the effect the
5 plan will have on the policy holders, if any,
- 6 f. ~~a statement that the assuming insurer is authorized,~~
7 ~~as provided in this section, to assume the subject~~
8 ~~business and that court approval of the Plan shall~~
9 ~~extinguish all rights of policyholders under policies~~
10 ~~that are part of the subject business against the~~
11 ~~transferring insurer~~ name and location of the court in
12 which the petition is filed,
- 13 g. ~~that policyholders shall not have the opportunity to~~
14 ~~opt out of or otherwise reject the transfer and~~
15 ~~novation~~ case number, parties, and other identifying
16 information of the matter in the petition,
- 17 h. ~~contact information for the Insurance Department where~~
18 ~~the policyholder may obtain further information~~ relief
19 sought in the petition, and
- 20 i. ~~information on how an electronic copy of the Insurance~~
21 ~~Business Transfer Plan may be accessed. In the event~~
22 ~~policyholders are unable to readily access electronic~~
23 ~~copies, the applicant shall provide hard copies by~~
- 24

1 first-class mail. procedure to access an electronic
2 copy of the Plan and associated information, if any,
3 j. further notice of filings, schedules, orders, and
4 other information will only be provided pursuant to
5 paragraph 10 of this subsection, and
6 k. if the Plan is approved by the court, the court shall
7 enter judgement consistent with paragraph 3 of
8 subsection C of this section.

9 8. The last date of transmission and publication of the notice
10 shall be followed by a comment period no less than sixty (60) days.

11 9. Any person, including by their legal representative, who
12 provides written notice within the sixty (60) day comment period
13 identified in paragraph 8 of this subsection, and states the person
14 considers himself, herself or itself to be materially adversely
15 affected ~~can~~ by the approval and implementation of the Plan may
16 present evidence or comments to the court at ~~the approval hearing~~
17 trial. However, such comment or evidence shall not confer standing
18 as a party on any person. Any person participating in any pretrial
19 proceeding or the trial of petitioner's request for approval hearing
20 and implementation of the Plan must follow the process established
21 by the court and shall bear his or her own costs and attorney fees.

22 10. Only parties to this matter and those persons and other
23 third parties who file a request to provide comments, objections, or
24 requests to be heard pursuant to paragraph 8 of this subsection

1 shall receive further notice and copies of filings with the court,
2 pursuant to subsection D of Section 2005 of Title 12 of the Oklahoma
3 Statutes and the Rules for District Courts of Oklahoma; provided,
4 however, all persons and other third parties shall receive notice
5 pursuant to subparagraph d of paragraph 3 of subsection C of this
6 section.

7 11. Within forty-five (45) days of the status conference
8 required pursuant to paragraph 5 of this subsection, the petitioner
9 shall file a motion for a scheduling order and to enter this matter
10 on the court's trial docket.

11 C. Approval by the court of the Insurance Business Transfer
12 Plan.

13 ~~1. After the comment period pursuant to paragraph 6 of~~
14 ~~subsection B of this section has ended the Insurance Business~~
15 ~~Transfer Plan shall be presented by the applicant for approval by~~
16 ~~the court. Pursuant to a scheduling order set forth in paragraph 11~~
17 ~~of subsection B of this section, and other orders by the court, the~~
18 ~~petitioner shall present the Insurance Business Transfer Plan,~~
19 ~~evidence, and arguments to the court for approval and implementation~~
20 ~~of the Plan.~~

21 2. At any time before the court issues ~~an order approving the~~
22 ~~Insurance Business Transfer Plan judgement,~~ the applicant petitioner
23 may withdraw the ~~Insurance Business Transfer Plan petition~~ without
24 prejudice to refiling.

1 3. If the court finds that the approval and implementation of
2 the Insurance Business Transfer Plan ~~would~~ will not materially
3 adversely affect the interests of policyholders or claimants ~~that~~ of
4 policies which are part of the subject business, the court shall
5 enter ~~an implementation order~~ judgement in favor of the petitioner.

6 The ~~implementation~~ judgement and order shall include:

- 7 a. ~~order implementation of the Insurance Business~~
8 ~~Transfer Plan~~ findings of fact,
- 9 b. ~~order a statutory novation with respect to all~~
10 ~~policyholders or reinsureds and their respective~~
11 ~~policies and reinsurance agreements under the subject~~
12 ~~business, including the extinguishment of all rights~~
13 ~~of policyholders under policies that are part of the~~
14 ~~subject business against the transferring insurer, and~~
15 ~~providing that the transferring insurer shall have no~~
16 ~~further rights, obligations, or liabilities with~~
17 ~~respect to such policies, and that the assuming~~
18 ~~insurer shall have all such rights, obligations, and~~
19 ~~liabilities as if it were the original insurer of such~~
20 ~~policies~~ conclusion of law,
- 21 c. ~~release the transferring insurer from any and all~~
22 ~~obligations or liabilities under policies that are~~
23 ~~part of the subject business, approval and~~
24 implementation of the Plan including:

1 (1) simultaneous transfer and novation from the
2 transferring insurer to the assuming insurer of
3 the subject business with respect to all
4 policyholders, reinsurers, claimants and their
5 respective policies, and reinsurance agreements
6 under the subject business,

7 (2) simultaneous transfer and novation from the
8 transferring insurer and the assuming insurer of
9 all property, rights, obligations, and
10 liabilities including, but not limited to, the
11 ceded reinsurance of transferred policies and
12 contracts included in the subject business,
13 notwithstanding any nonassignment provisions in
14 any such reinsurance contracts or other
15 agreements,

16 (3) assuming insurer shall have all of transferring
17 insurer's rights, obligations, and liabilities
18 regarding the subject business as if it were the
19 original insurer of such policies including the
20 same standing as the transferring insurer
21 pursuant to contract, statute, and
22 interpretation, relating back to the issuance of
23 such policies, and

1 (4) policyholders' and claimants' rights obligations
2 and liabilities, if any, under their respective
3 policies which are part of the subject business
4 shall not be enlarged, extended, limited, or
5 reduced; provided, however, the policyholders and
6 claimants may not pursue or be pursued by the
7 transferring insurer to satisfy their respective
8 rights, obligations, and liabilities, but instead
9 the policyholders and claimants may pursue or be
10 pursued by the assuming insurer,

11 d. ~~authorize and order the transfer of property or~~
12 ~~liabilities, including, but not limited to, the ceded~~
13 ~~reinsurance of transferred policies and contracts on~~
14 ~~the subject business, notwithstanding any~~
15 ~~nonassignment provisions in any such reinsurance~~
16 ~~contracts. The subject business shall vest in and~~
17 ~~become liabilities of the assuming insurer,~~

18 e. ~~order that the applicant provide notice of the~~
19 petitioner to provide notice of the judgement
20 including the resulting transfer and novation in
21 accordance with the notice provisions in Section 1685
22 of this title, ~~and~~

23 ~~f.~~ e. make such other orders and provisions with respect to
24 incidental, consequential and supplementary matters as

1 are necessary to assure the full and effective
2 implementation of the Insurance Business Transfer Plan
3 ~~is fully and effectively carried out.~~, and

4 f. retain jurisdiction of the matter to allow the parties
5 to request such additional orders regarding
6 incidental, consequential, and supplemental matters
7 necessary to assure the full and effective
8 implementation of the Plan.

9 4. If the court finds that the Insurance Business Transfer Plan
10 should not be approved, the court by its order may:

- 11 a. deny the petition, or
12 b. provide the ~~applicant~~ petitioner leave to file an
13 amended petition including an amended Insurance
14 Business Transfer Plan and petition.

15 5. Nothing in this section in any way affects the right of
16 appeal of any party.

17 D. An unexpired and in-force policy issued to a policyholder
18 who resides in a state other than Oklahoma shall not be transferred
19 and novated unless or until the assuming insurer is licensed,
20 authorized, permitted, or otherwise legally allowed to administer
21 the subject business in the same manner as the transferring insurer
22 in the state of the policyholder's residence.

23 E. The court may approve the requested transfer and novation of
24 the subject business, with effectiveness of all or part of the

1 implementation deferred until the assuming insurer can satisfy the
2 requirements pursuant to subsection D of this section.

3 ~~D. F. Implementation of Insurance Business Transfer Plan Rules.~~

4 The Commissioner shall have the authority to promulgate rules to
5 effectuate the provisions of the Insurance Business Transfer Act.

6 ~~E. G. The review of an application for an Insurance Business~~
7 ~~Transfer, including any documents, materials, All testimony,~~
8 ~~documents, exhibits, analysis, communications, or other information~~
9 ~~or evidence submitted to the Commissioner or independent expert in~~
10 ~~contemplation of ~~such~~ an application, submitted to the court in~~
11 ~~support of a petition, or developed by the Commissioner or~~
12 ~~independent expert in connection with such application, or petition~~
13 ~~for approval and implementation of an Insurance Business Transfer~~
14 ~~Plan, shall be treated for purposes of confidentiality as an~~
15 ~~examination of the financial condition and/or market conduct of the~~
16 ~~transacting companies under Sections 309.1 through 309.7 of this~~
17 ~~title.~~

18 SECTION 5. It being immediately necessary for the preservation
19 of the public peace, health or safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

