

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 ENGROSSED SENATE
5 BILL NO. 979

By: Quinn and Simpson of the
Senate

6 and

7 Sneed of the House

8
9 An Act relating to insurance; amending 36 O.S. 2021,
10 Section 607, which relates to general qualifications
11 to transact insurance; providing that certain
12 insurance companies and entities may apply for
13 certain certificates of authority under certain
14 circumstances; requiring certain companies and
15 entities to establish a regional home office with
16 certain employees; requiring certain companies and
17 entities to maintain security deposits; and providing
18 an effective date.

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

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

19 Section 607. A. To qualify for and hold authority to transact
20 insurance in Oklahoma an insurer must be otherwise in compliance
21 with the provisions of this Code and with its charter powers, and
22 must be an incorporated stock insurer, an incorporated mutual
23 insurer, a mutual benefit association, a nonprofit hospital service
24 and medical indemnity corporation, a farmers mutual fire insurance

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

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

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

1 under this subsection shall maintain security deposits pursuant to
2 this code in a bank as defined pursuant to Section 102 of Title 6 of
3 the Oklahoma Statutes.

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

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

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12 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/14/2022 - DO
13 PASS.
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