

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 122</b>
<b>Version:</b>	<b>Engrossed Senate</b>
<b>Request Number:</b>	<b>N/A</b>
<b>Author:</b>	<b>Rep. Sims</b>
<b>Date:</b>	<b>3/29/2021</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

SB 122 authorizes credit as either an asset or a reduction from liability on account of reinsurance if an insurer is domiciled and licensed or has its head office in a reciprocal jurisdiction. A reciprocal jurisdiction is a non U.S. jurisdiction that is subject to an in-force, covered agreement with the United States, a jurisdiction within the United States that meets the requirements for accreditation of the National Association of Insurance Commissioners financial standards and accreditation program, or a qualified jurisdiction that meets all additional requirements as determined by the Insurance Commissioner.

The measure requires the Insurance Commissioner to timely create and publish a list of reciprocal jurisdictions. The list of reciprocal jurisdictions is published through the National Association of Insurance Commissioners Committee Process. The list will include any reciprocal jurisdiction as defined by this measure and allows the Commissioner to approve a jurisdiction that does not appear on the list. The Commissioner may also remove a jurisdiction from the list of reciprocal jurisdictions if the jurisdiction no longer meets the requirements issued by the Commissioner.

The Insurance Commissioner is required by the measure to publish a list of assuming insurers that have satisfied the conditions set forth in this act. The Commissioner may add an assuming insurer to the list if a National Association of Insurance Commissioners accredited jurisdiction has added the assuming insurer to a list of such assuming insurers. Should the Commissioner determine that an insurer no longer meets one or more of the requirements, the Commissioner may revoke or suspend eligibility of the assuming insurer in accordance with the procedures outlined in the measure.

If subject to litigation, the measure allows the ceding insurer to obtain a legal order by the court requiring that the assuming insurer post security for all outstanding ceded liabilities.

Credit may only be assumed after the effective date of this measure.

Prepared By: Dan Brooks

**Fiscal Analysis**

SB 122 deals with reinsurance. According to officials at the Oklahoma Insurance Department, it does not create a fiscal impact for OID. As OID is a nonappropriated agency, there should be no fiscal impact for the State.

Prepared By: Mariah Searock

### **Other Considerations**

None.

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