

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB 3090
Version:	Introduced
Request Number:	9070
Author:	Rep. Tedford
Date:	2/5/2024
Impact:	\$0

Research Analysis

HB 3090, as introduced, provides that upon the effective date of a reorganization plan, a converting mutual insurer becomes a converted stock insurer, and its articles of incorporation and bylaws are amended. Membership interests in the converting mutual insurer are extinguished, and members become members of the mutual holding company. Owners of policies issued by the converted stock insurer also become members of the mutual holding company. The mutual holding company acquires all shares of the converted stock insurer and any intermediate stock holding company. The converted stock insurer continues the corporate existence of the converting mutual insurer, retaining rights, contracts, and obligations.

The conversion plan must be approved by the Insurance Commissioner and eligible members of the converting mutual insurer. The commissioner will approve or disapprove the plan within 60 days. The measure also outlines required content of the plan, review criteria, and regulations for mutual holding companies.

Prepared By: Autumn Mathews

Fiscal Analysis

HB 3090 outlines the procedures upon the effective date of a reorganization plan in which a converting mutual insurer becomes a converted stock insurer and a mutual holding company or intermediate stock holding company is established. This measure directs the Insurance Commissioner to review and approve reorganization plans submitted by the board of directors of a converting mutual insurer. Additionally, this measure defines requirements for plan approval and provides organizational structure for each party associated in the reorganization plan.

The Oklahoma Insurance Department (OID) is responsible for administering the reorganization plan for eligible insurers. Officials from OID confirmed the impact on the Department will be minimal as a result of this measure, which permits the Department to contract outside resources at the expense of the insurer. Furthermore, OID is a non-appropriated state agency, therefore, this measure is not anticipated to have a direct fiscal impact on the state budget or appropriations.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.

