

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3696 \_\_\_\_\_ Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
\_\_\_\_\_  
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu  
thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Emily Gise

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 PROPOSED POLICY  
4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 3696

7  
8 By: Gise

PROPOSED POLICY COMMITTEE SUBSTITUTE

9 An Act relating to insurance; amending 36 O.S. 2021,  
10 Section 982, which relates to definitions used in the  
11 Property and Casualty Competitive Loss Cost Rating  
12 Act; providing definitions; amending 36 O.S. 2021,  
13 Section 985, which relates to ratemaking standards,  
14 establishing that risk classification may not be  
15 based on the religion of the insured; establishing  
16 that a rate is excessive if it is likely to  
17 unreasonably high profits in relation to certain  
18 information and services rendered; amending 36 O.S.  
19 2021, Section 986, which relates to rate  
20 administration; changing process for rate making;  
21 directing insurers to file rates, applicable rating  
22 manuals, supplementary rating information, and other  
23 required information with the Insurance Commissioner;  
24 permitting use of rate on and after date filed;  
directing the Insurance Commissioner to determine  
information required for filing; directing the  
Insurance Commissioner to develop process for  
requesting supplementary rating information and  
supporting information; providing exemptions;  
directing Insurance Commissioner to consider factors;  
directing the Insurance Commissioner to disapprove  
rates that do not comply with act; clarifying rates  
that have not been disapproved before thirty days are  
not disapproved without good cause extension;  
directing the Insurance Commissioner to issue an  
order when rates are disapproved; permitting hearings  
for insurer that files rate that is disapproved;  
directing the Oklahoma Insurance Department to track,  
compile, and analyze factors that contribute to

1 disapproval of rates; authorizing the Oklahoma  
2 Insurance Department to request additional  
3 information; clarifying date of request for  
4 additional information; establishing that the  
5 Insurance Commissioner may only disapprove a rate  
6 that is in effect after hearing; permitting insureds  
7 who are aggrieved with respect to any filing in  
8 effect to apply to the Insurance Commissioner for  
9 hearing; directing the Insurance Commissioner to hold  
10 hearing; authorizing the Insurance Commissioner to  
11 issue order after hearing; authorizing the Insurance  
12 Commissioner to require an insurer to file for  
13 approval of all rates, supplementary rating  
14 information, and any supporting information if  
15 certain determinations are made; establishing  
16 exceptions to filing requirements; repealing 36 O.S.  
17 2021, Section 984, which relates to presumption of  
18 competitive market; repealing 36 O.S. 2021, Section  
19 987, which relates to rate filings; providing for  
20 codification; and providing an effective date.

21  
22  
23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

24 SECTION 1. AMENDATORY 36 O.S. 2021, Section 982, is  
1 amended to read as follows:

2 Section 982. Definitions.

3 As used in the Property and Casualty Competitive Loss Cost  
4 Rating Act:

5 1. "Accepted actuarial standards" means the standards adopted  
6 by the Casualty Actuarial Society Statement of Principles regarding  
7 property and casualty ratemaking or the Standards of Practice  
8 adopted by the Actuarial Standards Board;

9 2. "Advisory organization" means any corporation,  
10 unincorporated association, partnership or person, whether located

1 | inside or outside this state, that is licensed in accordance with  
2 | Section 1140 of this title and which assists insurers in ratemaking-  
3 | related activities such as enumerated in Section 1142 of this title;

4 |       3. "Affiliated insurance group" means an insurance holding  
5 | company system consisting of two or more affiliated persons, one or  
6 | more of which is an insurer, as defined in Section 1631 of Title 36;

7 |       4. "Classification system" or "classification" means the  
8 | process of grouping risks with similar risk characteristics so that  
9 | differences in costs may be recognized;

10 |       4. 5. "Commercial risk" means any kind of risk that is not a  
11 | personal risk;

12 |       5. 6. "Commissioner" means the Commissioner of Insurance of  
13 | this state;

14 |       6. "Competitive market" means a market which has not been found  
15 | to be noncompetitive pursuant to Section 984 of this title;

16 |       7. "Developed losses" means losses, including loss adjustment  
17 | expenses, adjusted using accepted actuarial standards, to eliminate  
18 | the effect of differences between current payment or reserve  
19 | estimates and those which are anticipated to provide actual ultimate  
20 | loss, including loss adjustment expense payments;

21 |       8. "Expenses" means that portion of a rate attributable to  
22 | acquisition, field supervision, collection expenses, general  
23 | expenses, taxes, licenses and fees;

24 |

1       9. "Experience rating" means a rating procedure utilizing past  
2 insurance experience of the individual policyholder to forecast  
3 future losses by measuring the policyholder's loss experience  
4 against the loss experience of policyholders in the same  
5 classification to produce a prospective premium credit, debit or  
6 unity modification;

7       10. "Filer" means an insurer that files rates, prospective loss  
8 costs, or supplementary rating information under this act;

9       11. "Joint underwriting" means a voluntary arrangement  
10 established to provide insurance coverage for a risk pursuant to  
11 which two or more insurers jointly contract with the insured at a  
12 price and under policy terms agreed upon between the insurers;

13       11. 12. "Loss adjustment expense" means the expenses incurred  
14 by the insurer in the course of settling claims;

15       12. 13. "Market" means the statewide interaction between buyers  
16 and sellers of identical or readily substitutable products that  
17 provide insurance protection of identifiable perils to buyers;

18       13. 14. "Mass marketed plan" means a method of selling  
19 property-liability insurance wherein the insurance is offered to  
20 employees of particular employers or to members of particular  
21 associations or organizations or to persons grouped in other ways,  
22 and the employer or association or other organization has agreed to,  
23 or otherwise affiliated itself with, the sale of such insurance to  
24 its employees or members;

1       14. "Noncompetitive market" means a market for which there is a  
2       ruling in effect pursuant to Section 984 of this title that a  
3       reasonable degree of competition does not exist;

4       15. "Personal risk" means homeowners, tenants, private  
5       passenger nonfleet automobiles, manufactured homes and other  
6       property and casualty insurance for personal, family or household  
7       needs, including any property and casualty insurance that is  
8       otherwise intended for noncommercial coverage;

9       16. "Pool" means a voluntary arrangement, established on an  
10      ongoing basis, pursuant to which two or more insurers participate in  
11      the sharing of risks on a predetermined basis. The pool may operate  
12      through an association, syndicate or other pooling agreement;

13      17. "Prospective loss costs" means historical aggregate losses  
14      and may include loss adjustment expenses, including all assessments  
15      that are loss based, projected through development to their ultimate  
16      value and through trending to a future point in time;

17      18. "Pure premium rate" means that portion of the rate which  
18      represents the loss costs per unit of exposure including loss  
19      adjustment expense;

20      19. "Rate" or "rates" means that cost of insurance per exposure  
21      unit whether expressed as a single number or as a prospective loss  
22      cost with an adjustment to account for the treatment of expenses,  
23      profit, and individual insurer variation in loss experience, prior

1 to any application of individual risk variations based on loss or  
2 expense considerations, and does not include minimum premium;

3 20. "Rating manual" means a publication or schedule that lists  
4 rules, classifications, territory codes and descriptions, rates,  
5 premiums, and other similar information used by an insurer to  
6 determine the applicable premium charged to an insured.

7 21. "Residual market mechanism" means an arrangement, either  
8 voluntary or mandated by law, involving participation by insurers in  
9 the equitable apportionment among them of insurance which may be  
10 afforded applicants who are unable to obtain insurance through  
11 ordinary methods;

12 21. 22. "Special assessments" means guaranty fund assessments,  
13 Special Indemnity Fund assessments, Vocational Rehabilitation Fund  
14 assessments, and other similar assessments. Special assessments  
15 shall not be considered as either expenses or losses;

16 22. 23. "Statistical plan" means the plan, system or  
17 arrangement used in collecting data;

18 23. 24. "Supplementary rating information" means any manual or  
19 plan of rates, classification, rating schedule, minimum premium,  
20 policy fee rating rule and any other information needed to determine  
21 the applicable premium in effect or to be in effect. This includes,  
22 rating plans, territory codes and descriptions and rules which  
23 include factors or relativities such as increased limits factors,  
24 deductible discounts or relativities, classification relativities or

1 similar factors used to determine the rate in effect or to be in  
2 effect;

3 24. 25. "Supporting information" means the experience and  
4 judgment of the filer and the experience or data of other insurers  
5 or advisory organizations relied upon by the filer, the  
6 interpretation of any other data relied upon by the filer,  
7 descriptions of methods used in making the rates and any other  
8 information required by the Commissioner to be filed; and

9 25. 26. "Trending" means any procedure for projecting losses to  
10 the average date of loss, or premiums or exposures to the average  
11 date of writing, for the period during which the policies are to be  
12 effective.

13 SECTION 2. AMENDATORY 36 O.S. 2021, Section 985, is  
14 amended to read as follows:

15 Section 985. Ratemaking Standards.

16 A. A rate may not be excessive, inadequate or unfairly  
17 discriminatory.

18 ~~1. No rate in a competitive market may be determined to be~~  
19 ~~excessive. A rate in a noncompetitive market may be determined to~~  
20 ~~be excessive if it is likely to produce a profit that is~~  
21 ~~unreasonably high for the insurance provided.~~

22 2. A rate may not be determined to be inadequate unless:

23 a. the rate is clearly insufficient to sustain projected  
24 losses, expenses and special assessments, and

1                   b. the rate is unreasonably low and use of the rate by  
2                   the insurer has tended or, if continued, will tend to  
3                   create a monopoly in the market.

4                   3. 2. Unfair discrimination may be determined to exist if,

5                   after allowing for practical limitations, price differentials fail  
6                   to reflect equitably the differences in expected losses and  
7                   expenses. A rate may not be determined to be unfairly  
8                   discriminatory because different premiums result for policyholders  
9                   with like loss exposures but different expense levels, or like  
10                  expenses but different loss exposures, or if it averaged broadly  
11                  among persons insured within a group, franchise or blanket policy or  
12                  a mass-marketed plan. No ~~rate in a competitive market shall be~~  
13                  ~~considered unfairly discriminatory unless it classifies risk the~~  
14                  ~~basis of classification may be based on race, color, creed, or~~  
15                  ~~national origin, or the religion of the insured.~~

16                  B. ~~In determining whether rates in a noncompetitive market are~~  
17                  ~~excessive, inadequate, or unfairly discriminatory, due consideration~~  
18                  ~~may be given to:~~

19                  1. ~~Past and prospective loss experience within and outside this~~  
20                  ~~state, in accordance with accepted actuarial principles;~~  
21                  2. ~~Conflagration and catastrophe hazards;~~  
22                  3. ~~A reasonable margin for underwriting profit and~~  
23                  ~~contingencies;~~

1       4. Loadings for leveling premium rates over time for dividends,  
2       savings or unabsorbed premium deposits allowed or returned by  
3       insurers to their policyholders, members or subscribers;

4       5. Past and prospective expenses both countrywide and those  
5       specially applicable to this state; and

6       6. Provisions for special assessments; and to all other  
7       relevant factors including judgment within and outside this state.

8       C. Risks may be grouped by classifications for the  
9       establishment of rates and minimum premiums. Classification rates  
10      may be modified to produce rates for individual risks in accordance  
11      with rating plans which establish standards for measuring variations  
12      in hazards or expense provisions, or both. Such standards may  
13      measure any differences among risks that can be demonstrated to have  
14      a probable effect upon losses or expenses. No risk classification  
15      however, may be based on race, creed, national origin, or the  
16      religion of the insured.

17       D. The expense provisions included in the rates for use by an  
18      insurer or group of insurers may differ from those of any other  
19      insurer or group of insurers to reflect the requirements of the  
20      operating methods of the insurer or group of insurers.

21       E. The rates may contain provision for contingencies and an  
22      allowance permitting a reasonable profit. In determining the  
23      reasonableness of the profit, consideration shall be given to the  
24      investment income attributable to the line of insurance.

1       F. Risks may be classified in any way except that no risk may  
2 be classified on the basis of race, color, creed, or national origin  
3 A rate is excessive if it is likely to produce a profit that is  
4 unreasonably high in relation to past and prospective loss  
5 experience for that class of business which the filing affects or if  
6 expenses are unreasonably high in relation to services rendered.

7       SECTION 3.       AMENDATORY       36 O.S. 2021, Section 986, is  
8 amended to read as follows:

9       Section 986.    A. ~~In only those markets found to be~~  
10 ~~noncompetitive pursuant to Section 984 of this title, insurers and~~  
11 ~~advisory organizations shall file with the Commissioner and the~~  
12 ~~Commissioner shall review reasonable rules and plans for recording~~  
13 ~~and reporting their rates, loss and expense experience and other~~  
14 ~~information determined by the Commissioner to be necessary or~~  
15 ~~appropriate for the administration of the Property and Casualty~~  
16 ~~Competitive Loss Cost Rating Act. The Commissioner may designate~~  
17 ~~one or more advisory organizations or other agencies to assist in~~  
18 ~~gathering such experience and making compilation thereof.~~

19       B. Reasonable rules and plans may be promulgated by the  
20 Oklahoma Insurance Commissioner for the exchange of data necessary  
21 for the development and application of rating plans.

22       C. B. In order to further uniform administration of rate  
23 regulatory laws, the Commissioner and every insurer and advisory  
24 organization may exchange information and experience data with

1 insurance supervisory officials, insurers and advisory organizations  
2 in other states and may consult with them with respect to the  
3 application of rating systems.

4 D. C. Cooperation among advisory organizations or among  
5 advisory organizations and insurers in ratemaking or in other  
6 matters within the scope of the Property and Casualty Competitive  
7 Loss Cost Rating Act is authorized. The Commissioner may review  
8 such cooperative activities and practices, and if, after a hearing,  
9 any such activity or practice is found to violate the provisions of  
10 the Property and Casualty Competitive Loss Cost Rating Act, a  
11 written order may be issued specifying that such activity or  
12 practice violates the provisions of this act and requiring the  
13 discontinuance of such activity.

14 SECTION 4. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 987.1 of Title 36, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. Each insurer shall file with the Insurance Commissioner all  
18 rates, applicable rating manuals, supplementary rating information,  
19 and additional information as required by the Insurance  
20 Commissioner. An insurer may use a rate filed under this act on and  
21 after the date the rate is filed.

22 B. The Insurance Commissioner by rule shall:

23 1. Determine the information required to be included in the  
24 filing, including:

1                   a. categories of supporting information and supplementary  
2                   rating information,  
3                   b. statistics or other information to support the rates  
4                   to be used by the insurer,  
5                   c. information necessary to evidence that the computation  
6                   of the rate does not include disallowed expenses for  
7                   personal lines, and  
8                   d. information concerning policy fees, service fees, and  
9                   other fees that are charged or collected by the  
10                  insurer; and

11                2. Prescribe the process through which the Oklahoma Insurance

12                Department requests supplementary rating information and supporting  
13                information under this act, including:

14                   a. the number of times the Department may make a request  
15                   for information, and  
16                   b. the types of information the Department may request  
17                   when reviewing a rate filing.

18                C. This section does not apply to rates for use with an insured

19                that has:

20                1. Total insured property values of Five Million Dollars

21                (\$5,000,000.00) or more;

22                2. Total annual gross revenues of Ten Million Dollars

23                (\$10,000,000.00) or more; or

1       3. A total premium of Twenty-five Thousand Dollars (\$25,000.00)  
2 or more for property insurance, Twenty-five Thousand Dollars  
3 (\$25,000.00) or more for general liability insurance, or Fifty  
4 Thousand Dollars (\$50,000.00) or more for multi-peril insurance.

5       D. The Insurance Commissioner shall consider the applicable  
6 factors in Section 902.2 of this title when reviewing filings.

7       SECTION 5.       NEW LAW       A new section of law to be codified  
8 in the Oklahoma Statutes as Section 987.2 of Title 36, unless there  
9 is created a duplication in numbering, reads as follows:

10       In determining filing requirements under Section 3 of this act  
11 for an insurer with less than five percent (5%) of the market, the  
12 Insurance Commissioner shall consider insurer and market-specific  
13 attributes, as applicable. The Insurance Commissioner shall  
14 determine filing requirements for those insurers accordingly to  
15 accommodate premium volume and loss experience, targeted markets,  
16 limitations on coverage, and any potential barriers to market entry  
17 or growth.

18       SECTION 6.       NEW LAW       A new section of law to be codified  
19 in the Oklahoma Statutes as Section 987.3 of Title 36, unless there  
20 is created a duplication in numbering, reads as follows:

21       A. Not later than thirty (30) days after the date a rate is  
22 filed with the Department under Section 3 of this act, the Insurance  
23 Commissioner shall disapprove the rate if the Insurance Commissioner

1 determines that the rate does not comply with the requirements of  
2 this act.

3       B. Except as provided by subsection C, if a rate has not been  
4 disapproved by the Insurance Commissioner before the expiration of  
5 the thirty-day period described by subsection A of this section, the  
6 rate is not considered disapproved under this section.

7       C. For good cause, the Insurance Commissioner may, on the  
8 expiration of the thirty-day period described by subsection A of  
9 this section, extend the period for disapproval of a rate for one  
10 additional thirty-day period. The Insurance Commissioner and the  
11 insurer may not by agreement extend the thirty-day period described  
12 by subsection A or this subsection.

13       D. If the Insurance Commissioner disapproves a rate under this  
14 section, the Insurance Commissioner shall issue an order specifying  
15 in what respects the rate fails to meet the requirements of this  
16 act.

17       E. An insurer that files a rate that is disapproved under this  
18 section is entitled to a hearing on written request made to the  
19 Insurance Commissioner not later than thirty (30) days after the  
20 date the order disapproving the rate takes effect.

21       F. The Oklahoma Insurance Department shall track, compile, and  
22 routinely analyze the factors that contribute to the disapproval of  
23 rates under this section.

1 SECTION 7. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 987.4 of Title 36, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. If the Oklahoma Insurance Department determines that the  
5 information filed by an insurer under this act is incomplete or  
6 otherwise deficient, the Oklahoma Insurance Department may request  
7 additional information from the insurer.

8 B. If the Oklahoma Insurance Department requests additional  
9 information from the insurer during the thirty-day period described  
10 by subsection A of Section 5 of this act or under a second thirty-  
11 day period described by subsection C of Section 5, as applicable,  
12 the time between the date the Oklahoma Insurance Department submits  
13 the request to the insurer and the date the Oklahoma Insurance  
14 Department receives the information requested is not included in the  
15 computation of the first thirty-day period or the second thirty-day  
16 period, as applicable.

17 C. For purposes of this section, the date of the Oklahoma  
18 Insurance Department's submission of a request for additional  
19 information is the earlier of:

20 1. The date of the Oklahoma Insurance Department's electronic  
21 mailing or documented telephone call relating to the request for  
22 additional information; or

23 2. The postmarked date on the Oklahoma Insurance Department's  
24 letter relating to the request for additional information.

1       D. The Oklahoma Insurance Department shall track, compile, and  
2 routinely analyze the volume and content of requests for additional  
3 information made under this section to ensure that all requests for  
4 additional information are fair and reasonable.

5       SECTION 8.        NEW LAW        A new section of law to be codified  
6 in the Oklahoma Statutes as Section 987.5 of Title 36, unless there  
7 is created a duplication in numbering, reads as follows:

8       A. The Insurance Commissioner may disapprove a rate that is in  
9 effect only after a hearing. The Insurance Commissioner shall  
10 provide the filer at least twenty (20) days' written notice.

11       B. The Insurance Commissioner must issue an order disapproving  
12 a rate under subsection A of this section not later than fifteen  
13 (15) days after the close of the hearing. The order must:

14           1. Specify in what respects the rate fails to meet the  
15 requirements of Title 36 of the Oklahoma Statutes or rules made  
16 pursuant to this act; and

17           2. State the date on which further use of the rate is  
18 prohibited, which may not be earlier than forty-five (45) days after  
19 the close of the hearing under this section.

20       SECTION 9.        NEW LAW        A new section of law to be codified  
21 in the Oklahoma Statutes as Section 987.6 of Title 36, unless there  
22 is created a duplication in numbering, reads as follows:

23       A. An insured who is aggrieved with respect to any filing under  
24 this act that is in effect, may apply to the Insurance Commissioner

1 in writing for a hearing on the filing. The application must  
2 specify the grounds for the applicant's grievance.

3       B. The Insurance Commissioner shall hold a hearing on an  
4 application filed under subsection A of this section not later than  
5 thirty (30) days after the date the Insurance Commissioner receives  
6 the application if the Insurance Commissioner determines that:

7           1. The application is made in good faith;

8           2. The applicant would be aggrieved as alleged if the grounds  
9 specified in the application were established; and

10           3. The grounds specified in the application otherwise justify  
11 holding the hearing.

12       C. The Insurance Commissioner shall provide written notice of a  
13 hearing under subsection B to the applicant and each insurer that  
14 made the filing not later than ten (10) days before the date of the  
15 hearing.

16       D. If, after the hearing, the Insurance Commissioner determines  
17 that the filing does not meet the requirements of this act, Title 36  
18 of the Oklahoma Statutes, or any rule made pursuant to this act, the  
19 Insurance Commissioner shall issue an order:

20           1. Specifying in what respects the filing fails to meet those  
21 requirements; and

22           2. Stating the date on which the filing is no longer in effect,  
23 which must be within a reasonable period after the order date.

1       E. The Insurance Commissioner shall send copies of the order  
2 issued under subsection D of this section to the applicant and each  
3 affected insurer.

4       SECTION 10.       NEW LAW       A new section of law to be codified  
5 in the Oklahoma Statutes as Section 987.7 of Title 36, unless there  
6 is created a duplication in numbering, reads as follows:

7       A. The Insurance Commissioner by order may require an insurer  
8 to file with the Oklahoma Insurance Department for the Insurance  
9 Commissioner's approval all rates, supplementary rating information,  
10 and any supporting information in accordance with this act if the  
11 Insurance Commissioner determines that:

12       1. The insurer's rates require supervision because of the  
13 insurer's financial condition or rating practices; or  
14       2. A statewide insurance emergency exists.

15       B. If an insurer files a petition for judicial review of an  
16 order disapproving a rate under this act, the insurer must use the  
17 rates in effect for the insurer at the time the petition is filed  
18 and may not file and use any higher rate for the same line of  
19 insurance subject to this act before the matter subject to judicial  
20 review is finally resolved unless the insurer, in accordance with  
21 this act, files the new rate with the Oklahoma Insurance Department,  
22 along with any applicable supplementary rating information and  
23 supporting information, and obtains the Insurance Commissioner's  
24 approval of the rate.

1       C. From the date of the filing of the rate with the Oklahoma  
2 Insurance Department to the effective date of the new rate, the  
3 insurer's previously filed rate that is in effect on the date of the  
4 filing remains in effect.

5       D. The Insurance Commissioner may require an insurer to file  
6 the insurer's rates under this section until the Insurance  
7 Commissioner determines that the conditions described by subsection  
8 A of this section no longer exist.

9       E. If the Insurance Commissioner requires an insurer to file  
10 the insurer's rates under this section, the Insurance Commissioner  
11 shall periodically assess whether the conditions described by  
12 subsection A of this section continue to exist. If the Insurance  
13 Commissioner determines that the conditions no longer exist, the  
14 Insurance Commissioner shall issue an order excusing the insurer  
15 from filing the insurer's rates under this section.

16       F. For purposes of this section, a rate is filed with the  
17 Oklahoma Insurance Department on the date the department receives  
18 the rate filing.

19       G. If the Insurance Commissioner requires an insurer to file  
20 the insurer's rates under this section, the Insurance Commissioner  
21 shall issue an order specifying the Insurance Commissioner's reasons  
22 for requiring the rate filing and explaining any steps the insurer  
23 must take and any conditions the insurer must meet in order to be  
24 excused from filing the insurer's rates under this section. An

1 affected insurer is entitled to a hearing on written request made to  
2 the Insurance Commissioner not later than thirty (30) days after the  
3 date the order is issued.

4       H. The Insurance Commissioner by rule shall define:

5           1. The financial conditions and rating practices that may  
6 subject an insurer to this section under paragraph 1 of subsection A  
7 of this section; and

8           2. The process by which the Insurance Commissioner determines  
9 that a statewide insurance emergency exists under paragraph 2 of  
10 subsection A of this section.

11       SECTION 11.       NEW LAW       A new section of law to be codified

12 in the Oklahoma Statutes as Section 987.8 of Title 36, unless there  
13 is created a duplication in numbering, reads as follows:

14       A. Except as provided by subsections B, C, and D of this  
15 section, an insurer is exempt from the rate filing and approval  
16 requirements of this act if the insurer, during the calendar year  
17 preceding the date filing is otherwise required under Title 36 of  
18 the Oklahoma Statutes, issued residential property insurance  
19 policies in this state that accounted for less than two percent (2%)  
20 of the total amount of premiums collected by insurers for  
21 residential property insurance policies issued in this state, more  
22 than fifty percent (50%) of which cover property valued at less than  
23 One Hundred Thousand Dollars (\$100,000.00).

24

1       B. If an insurer described by subsection A of this section is a  
2 member of an affiliated insurance group, this section applies to the  
3 insurer only if the total aggregate premium collected by the group  
4 accounts for less than two percent (2%) of the total amount of  
5 premiums collected by insurers for residential property insurance  
6 policies issued in this state.

7       C. An insurer described by subsection A of this section that  
8 proposes to increase the premium rates charged policyholders for a  
9 residential property insurance product by an amount that is ten  
10 percent (10%) or more over the amount the insurer charged  
11 policyholders for the same or an equivalent residential property  
12 insurance product during the preceding calendar year must file the  
13 insurer's proposed rates in accordance with this act and, if  
14 applicable, obtain approval of the proposed rates.

15       D. An insurer described by subsection A that increases the  
16 premium rates charged policyholders for a residential property  
17 insurance product by an annual average amount of eight percent (8%)  
18 or greater for three (3) consecutive calendar years must file the  
19 insurer's proposed rates in accordance with this act in the calendar  
20 year following the three (3) consecutive years and, if applicable,  
21 obtain approval of the proposed rates. In calculating the three (3)  
22 consecutive calendar years' average premium increases, an insurer is  
23 not required to consider a year in which there is a weather-related  
24

1 catastrophe or other major natural disaster that requires the  
2 commissioner to extend the claim-handling deadlines.

3 SECTION 12. REPEALER 36 O.S. 2021, Section 984, is  
4 hereby repealed.

5 SECTION 13. REPEALER 36 O.S. 2021, Section 987, is  
6 hereby repealed.

7 SECTION 14. This act shall become effective November 1, 2026.

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9 60-2-16193 MJ 02/09/26  
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