

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1444

By: Kirt

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 2021, Sections 985, 987, 989, 994, and 995, as amended by Section 1, Chapter 304, O.S.L. 2022 (36 O.S. Supp. 2025, Section 995), which relate to ratemaking standards, rate filings, improper rates, and the Property and Casualty Competitive Loss Cost Rating Act; allowing certain rates to be determined to be excessive; allowing certain rates to be considered based on certain criteria; requiring every insurer to file with the Insurance Commissioner all rates and supplementary rate information within a certain time period prior to the effective date of the rate; allowing Commissioner to give written notice to certain insurer within a certain time period for additional time; updating statutory reference; requiring Commissioner to disapprove certain rates; allowing Commissioner to hold certain hearing for certain rate disapproval; increasing certain time frame for certain advisory organization to file certain information; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2021, Section 985, is amended to read as follows:

Section 985. ~~Ratemaking Standards.~~

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

1       1. ~~No rate in a competitive market may be determined to be~~  
2 ~~excessive.~~ A rate ~~in a noncompetitive market~~ may be determined to  
3 be excessive if it is likely to produce a profit that is  
4 unreasonably high for the insurance provided or is unreasonably high  
5 in relation to the services rendered.

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

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

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

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

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

4 1. Past and prospective loss experience within and outside this  
5 state, in accordance with accepted actuarial principles;

6 2. Conflagration and catastrophe hazards;

7 3. A reasonable margin for underwriting profit and  
8 contingencies;

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

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

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

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

1 D. The expense provisions included in the rates for use by an  
2 insurer or group of insurers may differ from those of any other  
3 insurer or group of insurers to reflect the requirements of the  
4 operating methods of the insurer or group of insurers.

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

9 F. Risks may be classified in any way except that no risk may  
10 be classified on the basis of race, color, creed, ~~or~~ national  
11 origin, or religion.

12 SECTION 2. AMENDATORY 36 O.S. 2021, Section 987, is  
13 amended to read as follows:

14 Section 987. ~~Rate Filings.~~

15 A. ~~In a competitive market, every~~ Every insurer shall file with  
16 the Insurance Commissioner all rates and supplementary rate  
17 information to be used in this state ~~no later than thirty (30) days~~  
18 ~~after~~ at least sixty (60) calendar days prior to the effective date;  
19 provided, that the rates and supplementary rate information need not  
20 be filed for commercial risks, which by general custom are not  
21 written according to manual rules or rating plans.

22 B. ~~In a noncompetitive market, every insurer shall file with~~  
23 ~~the Commissioner all rates, supplementary rate information and~~  
24 ~~supporting information at least thirty (30) days before the proposed~~

1 ~~effective date.~~ The Commissioner may give written notice, within  
2 ~~thirty (30)~~ sixty (60) days of receipt of the filing, that the  
3 Commissioner needs additional time, not to exceed ~~thirty (30)~~ sixty  
4 (60) days from the date of the notice to consider the filing. Upon  
5 written application of the insurer, the Commissioner may authorize  
6 rates to be effective before the expiration of the waiting period or  
7 an extension thereof. A filing shall be deemed to meet the  
8 requirements of the Property and Casualty Competitive Loss Cost  
9 Rating Act and to become effective unless disapproved pursuant to  
10 this title by the Commissioner before the expiration of the waiting  
11 period or an extension thereof.

12 In a noncompetitive market, the filing shall be deemed in  
13 compliance with the filing provision of this section unless the  
14 Commissioner informs the insurer within ten (10) days after receipt  
15 of the filings as to what supplementary rate information or  
16 supporting information is required to complete the filing.

17 ~~C.~~ B. Every authorized insurer shall file with the  
18 Commissioner, except as to rates for those lines of insurance  
19 exempted from the provisions of the Property and Casualty  
20 Competitive Loss Cost Rating Act by the Commissioner under  
21 subsections ~~B~~ D and ~~F~~ E of this section and except for those risks  
22 designated as special risks under Section 997 of this title, all  
23 rates, supplementary rate information and any changes and amendments  
24 which it proposes to use. An insurer may file its rates by either

1 filing its final rates or by filing a multiplier and, if applicable,  
2 an expense constant adjustment to be applied to prospective loss  
3 costs that have been filed by an advisory organization as permitted  
4 by this title. Such loss cost multiplier filing and expense  
5 constant filings made by insurers shall remain in effect until  
6 amended or withdrawn by the insurer. Every filing shall state the  
7 effective date.

8 ~~D.~~ C. Under rules as may be adopted, the Commissioner may, by  
9 written order, suspend or modify the requirement of filing as to any  
10 kind of insurance, subdivision or combination thereof, or as to  
11 classes of risks.

12 ~~E.~~ D. Notwithstanding any other provision of the Property and  
13 Casualty Competitive Loss Cost Rating Act, upon the written consent  
14 of the insured in a separate written document, a rate in excess of  
15 that determined in accordance with the other provisions of the  
16 Property and Casualty Competitive Loss Cost Rating Act may be used  
17 on a specific risk.

18 ~~F.~~ E. A filing and any supporting information required to be  
19 filed shall be open to public inspection once the filing becomes  
20 effective except information marked confidential, trade secret, or  
21 proprietary by the insurer or filer and except the filings of an  
22 advisory organization which shall be open to public inspection upon  
23 the received date of the rate, loss cost, or manual rule change.  
24 The insurer or filer shall have the burden of asserting to the

1 Commissioner that a filing and supporting information are  
2 confidential, upon the request of the Commissioner. The  
3 Commissioner may disapprove of the insurer's request for  
4 confidential filing status.

5 SECTION 3. AMENDATORY 36 O.S. 2021, Section 989, is  
6 amended to read as follows:

7 Section 989. ~~Improper Rates; Disapproval; Hearing.~~

8 A. ~~Basis for disapproval.~~

9 ~~1. The Insurance Commissioner shall disapprove a rate in a~~  
10 ~~competitive market only if the Commissioner finds, pursuant to~~  
11 ~~subsection B of this section, that the rate is excessive,~~  
12 ~~inadequate, or unfairly discriminatory pursuant to Section 985 of~~  
13 ~~this title.~~

14 ~~2. The Commissioner may disapprove a rate for use in a~~  
15 ~~noncompetitive market only if the Commissioner finds, pursuant to~~  
16 ~~subsection B of this section, that the rate is excessive, inadequate~~  
17 ~~or unfairly discriminatory under this subsection.~~

18 B. ~~Procedures for disapproval.~~

19 1. Prior to the expiration of a waiting period or an extension  
20 thereof, made pursuant to subsection B of Section 987 of this title,  
21 the Commissioner may disapprove, by written order, rates filed  
22 pursuant to subsection B of Section 987 of this title with a  
23 hearing. The order shall specify in what respects the filing fails  
24 to meet the requirements of this act. Any insurer whose rates are

1 disapproved pursuant to this section shall be given a hearing upon  
2 written request made within thirty (30) days of disapproval.

3 2. If, at any time, the Commissioner finds that a rate  
4 applicable to insurance ~~sold in a noncompetitive market~~ does not  
5 comply with the standards set forth in Section 985 of this title,  
6 the Commissioner may, after a hearing held upon not less than twenty  
7 (20) days' written notice, issue an order ~~pursuant to subsection C~~  
8 ~~of this section~~, disapproving such rate. The hearing notice shall  
9 be sent to every insurer and advisory organization that adopted the  
10 rate and shall specify the matters to be considered at the hearing.  
11 The disapproval order shall not affect any contract or policy made  
12 or issued prior to the effective date set forth in the order.

13 ~~3. If, at any time, the Commissioner finds that a rate~~  
14 ~~applicable to insurance sold in a competitive market is inadequate~~  
15 ~~or unfairly discriminatory under paragraph 2 or 3 of subsection A of~~  
16 ~~Section 985 of this title, the Commissioner may issue an order~~  
17 ~~pursuant to subsection C of this section disapproving the rate. The~~  
18 ~~order shall not affect any contract or policy made or issued prior~~  
19 ~~to the effective date set forth in the order.~~

20 C. ~~Order of disapproval.~~

21 ~~If the Commissioner disapproves a rate pursuant to subsection B~~  
22 ~~of this section, the Commissioner shall issue an order within thirty~~  
23 ~~(30) days of the close of the hearing specifying in what respects~~  
24 ~~the rate fails to meet the requirements of this act. The order~~



1 ~~shall state an effective date no sooner than thirty (30) business~~  
2 ~~days after the date of the order when the use of the rate shall be~~  
3 ~~discontinued. This order shall not affect any policy made before~~  
4 ~~the effective date of the order.~~

5 ~~D. Appeal of orders and establishment of reserves.~~

6 If an order of disapproval is appealed pursuant to Section 990  
7 of this title, the insurer may implement the disapproved rate upon  
8 notification to the court, in which case any excess of the  
9 disapproved rate over a rate previously in effect shall be placed in  
10 a reserve established by the insurer. The court shall have control  
11 over the disbursement of funds from such reserve. The funds shall  
12 be distributed as determined by the court in its final order except  
13 that de minimus refunds to policyholders shall not be required.

14 ~~E.~~ D. All determinations made by the Commissioner under this  
15 section shall be on the basis of findings of fact and conclusions of  
16 law.

17 SECTION 4. AMENDATORY 36 O.S. 2021, Section 994, is  
18 amended to read as follows:

19 Section 994. ~~Advisory Organizations; Filing Requirements.~~  
20 Every advisory organization shall file with the Insurance  
21 Commissioner for approval every statistical plan, all prospective  
22 loss costs, provisions for special assessments and all supplementary  
23 rating information and every change or amendment or modification of  
24 any of the foregoing proposed for use in this state at least ~~thirty~~  
25

1 ~~(30)~~ sixty (60) days prior to its effective date. Such filings will  
2 be deemed approved unless disapproved within the waiting period.

3 SECTION 5. AMENDATORY 36 O.S. 2021, Section 995, as  
4 amended by Section 1, Chapter 304, O.S.L. 2022 (36 O.S. Supp. 2025,  
5 Section 995), is amended to read as follows:

6 Section 995. ~~Joint Underwriting, Joint Reinsurance Pool and~~  
7 ~~Residual Market Activities.~~

8 A. Notwithstanding paragraph 3 of subsection A of Section 992  
9 of this title, insurers participating in joint underwriting, joint  
10 reinsurance pools or residual market mechanisms may in connection  
11 with such activity act in cooperation with each other in the making  
12 of rates, rating systems, policy forms, underwriting rules, surveys,  
13 inspections and investigations, the furnishing of loss and expense  
14 statistics or other information, or carrying on research. Joint  
15 underwriting, joint reinsurance pools and residual market mechanisms  
16 shall not be deemed an advisory organization.

17 B. Except to the extent modified by this section, joint  
18 underwriting, joint reinsurance pool and residual market mechanism  
19 activities are subject to the other provisions of the Property and  
20 Casualty Competitive Loss Cost Rating Act.

21 C. If, after a hearing, the Insurance Commissioner finds that  
22 any activity or practice of an insurer participating in joint  
23 underwriting or a pool is unfair, is unreasonable, will tend to  
24 lessen competition in any market or is otherwise inconsistent with  
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1 the provisions or purposes of the Property and Casualty Competitive  
2 Loss Cost Rating Act, the Commissioner ~~may~~ shall issue a written  
3 order and require the discontinuance of such activity or practice.

4 D. Every pool shall file with the Commissioner a copy of its  
5 constitution, articles of incorporation, agreement or association,  
6 bylaws, rules and regulations governing its activities, list of  
7 members, the name and address of a resident of this state upon whom  
8 notice, orders of the Commissioner, or process may be served, and  
9 any changes in amendments or changes in the foregoing.

10 E. Any residual market mechanism, plan or agreement to  
11 implement such a mechanism, and any changes or amendments thereto,  
12 shall be submitted in writing to the Commissioner for consideration  
13 and approval, together with such information as may be reasonably  
14 required.

15 SECTION 6. This act shall become effective November 1, 2026.

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