

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 3796

By: Sneed

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7 COMMITTEE SUBSTITUTE

8 An Act relating to insurance; amending Section 8,
9 Chapter 345, O.S.L. 2024 (36 O.S. Supp. 2025, Section
10 323), which relates to the enforcement power and
11 authority of the Insurance Commissioner; establishing
12 that bulletins published by previous Insurance
13 Commissioners shall expire following inauguration of
14 next Insurance Commissioner; allowing Commissioner to
15 continue bulletin; clarifying Commissioner has the
16 authority to issue, amend, or terminate a bulletin at
17 any time; amending Section 2, Chapter 293, O.S.L.
18 2024 (36 O.S. Supp. 2025, Section 972), which relates
19 to the Strengthen Oklahoma Homes Program; expanding
20 length of program indefinitely; amending 36 O.S.
21 2021, Section 1633, which relates to the acquisition
22 of control of or merger with domestic insurers;
23 requiring individuals filing statement with the
24 Commissioner to include personal financial statements
reviewed by an independent public accountant;
amending 36 O.S. 2021, Section 4423, which relates to
the application of the Long-Term Care Insurance Act;
prohibiting persons from selling, soliciting, or
negotiating long-term care insurance without proper
license; repealing 36 O.S. 2021, Section 1416, which
relates to the state innovation waiver; and providing
an effective date.

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

1 SECTION 1. AMENDATORY Section 8, Chapter 345, O.S.L.
2 2024 (36 O.S. Supp. 2025, Section 323), is amended to read as
3 follows:

4 Section 323. A. In addition to any powers herein before
5 expressly enumerated in this law, the Insurance Commissioner shall
6 have full power and authority to enforce by regulations, orders,
7 bulletins or otherwise all and singular, the provisions of this law,
8 and the full intent thereof. In particular the Commissioner shall
9 have the authority and power:

10 1. To examine all records of persons or organizations falling
11 under the jurisdiction of the Commissioner and to require the same
12 to furnish under oath such information as the Commissioner may deem
13 necessary for the administration of this law. The expense of such
14 examination shall be paid by the insurer or advisory organization
15 examined. In lieu of such examination, the Commissioner may, in the
16 discretion of the Commissioner, accept a report of examination made
17 by any other insurance supervisory authority;

18 2. To make and enforce such reasonable bulletins, orders, rules
19 and regulations as may be necessary in making this law effective,
20 but such bulletins, orders, rules and regulations shall not be
21 contrary to or inconsistent with the provisions of this law; and

22 3. To issue an order in accordance with Article II of the
23 Administrative Procedures Act to all parties in interest requiring
24 any person or organization falling under the jurisdiction of the

1 Commissioner to cease and desist from any unfair or unreasonable
2 practice.

3 B. Bulletins published by previous Insurance Commissioners
4 shall terminate ninety (90) calendar days following the inauguration
5 of the next Insurance Commissioner unless continued by an order
6 issued by the new Insurance Commissioner. Nothing in this
7 subsection shall restrict the authority of the Insurance
8 Commissioner to issue, amend, or terminate a bulletin at any time.

9 SECTION 2. AMENDATORY Section 2, Chapter 293, O.S.L.
10 2024 (36 O.S. Supp. 2025, Section 972), is amended to read as
11 follows:

12 Section 972. A. There is hereby established within the
13 Department of Insurance the Strengthen Oklahoma Homes (SOH) Program,
14 ~~to continue until November 1, 2027.~~

15 B. This act does not create an entitlement for property owners
16 or obligate the state in any way to fund the inspection,
17 construction, or retrofitting of residential property in this state.
18 Implementation of the SOH Program is subject to the receipt of
19 federal grants or funds or from other sources of grants or funds.
20 The Department shall use its best efforts to obtain grants or funds
21 from the federal government or other funding sources to supplement
22 the financial resources of the SOH Program that may be provided by
23 the state.

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1 C. The SOH Program shall apply for financial grants to
2 construct or retrofit insurable property as defined in Section 963
3 of ~~Title 36 of the Oklahoma Statutes~~ this title to resist loss due
4 to a tornado or other catastrophic windstorm events or hail as
5 prescribed in subsection B of Section 962 of ~~Title 36 of the~~
6 ~~Oklahoma Statutes~~ this title.

7 D. The SOH Program may also make grants or funding available to
8 nonprofit entities for projects to construct or retrofit insurable
9 properties to resist loss due to tornado or other catastrophic
10 windstorm events or hail if such grants or funding to nonprofit
11 entities are allowable under grant or funding rules, requirements,
12 guidelines, or criteria. However, a nonprofit entity shall agree to
13 administer the grants or funds as the SOH Program would be required
14 to administer grants or funds, and the entity shall provide
15 documentation to the Department in a timely manner as requested by
16 the Department.

17 E. All mitigation shall be based upon the securing of all
18 required local permits and applicable inspections in keeping with
19 local building codes and the Insurance Institute for Business and
20 Home Safety (IBHS) Fortified Homes Program. Mitigation projects are
21 subject to random reinspection of all projects.

22 F. The Insurance Commissioner may promulgate rules and
23 eligibility requirements necessary for the proper administration of
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1 this act and pursuant to any instructions or requirements on grants
2 or funds received by the Department for the SOH Program.

3 SECTION 3. AMENDATORY 36 O.S. 2021, Section 1633, is
4 amended to read as follows:

5 Section 1633. A. The requirements for filing shall be as
6 follows:

7 1. No person other than the issuer shall make a tender offer
8 for or a request or invitation for tenders of, or enter into any
9 agreement to exchange securities for, seek to acquire, or acquire,
10 in the open market or otherwise, any voting security of a domestic
11 insurer if, after the consummation thereof, such person would,
12 directly or indirectly, or by conversion or by exercise of any right
13 to acquire, be in control of the insurer, and no person shall enter
14 into an agreement to merge with or otherwise to acquire control of a
15 domestic insurer or any person controlling a domestic insurer
16 unless, at the time the offer, request or invitation is made or the
17 agreement is entered into, or prior to the acquisition of the
18 securities if no offer or agreement is involved, such person has
19 filed with the Commissioner and has sent to the insurer, and such
20 insurer has sent to its shareholders, a statement containing the
21 information required by this section and the offer, request,
22 invitation, agreement or acquisition has been approved by the
23 Commissioner in the manner prescribed in this act;

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1 2. For purposes of this section, any controlling person of a
2 domestic insurer seeking to divest its controlling interest in the
3 domestic insurer, in any manner, shall file with the Commissioner,
4 with a copy to the insurer, confidential notice of its proposed
5 divestiture at least thirty (30) days prior to the cessation of
6 control. The Commissioner shall determine those instances in which
7 the party or parties seeking to divest or to acquire a controlling
8 interest in an insurer shall be required to file for and obtain
9 approval of the transaction. The information shall remain
10 confidential until the conclusion of the transaction unless the
11 Commissioner, in his or her discretion, determines that confidential
12 treatment will interfere with enforcement of this section. If the
13 statement referred to in paragraph 1 of this subsection is otherwise
14 filed, this paragraph shall not apply;

15 3. With respect to a transaction subject to this section, the
16 acquiring person must also file a preacquisition notification with
17 the Commissioner, which shall contain the information set forth in
18 paragraph 1 of subsection C of Section 4 1634 of this ~~act~~ title. A
19 failure to file the notification may be subject to the penalty
20 specified in paragraph 3 of subsection E of Section 4 1634 of this
21 ~~act~~ title; and

22 4. For purposes of this section, a "domestic insurer" shall
23 include any person controlling a domestic insurer unless the person,
24 as determined by the Commissioner, is either directly or through its

1 affiliates primarily engaged in business other than the business of
2 insurance. For the purposes of this section, "person" shall not
3 include any securities broker holding, in the usual and customary
4 broker's function, less than twenty percent (20%) of the voting
5 securities of an insurance company or of any person which controls
6 an insurance company.

7 B. The statement to be filed with the Commissioner shall be
8 made under oath or affirmation and shall contain the following:

9 1. The name and address of each person by whom or on whose
10 behalf the merger or other acquisition of control referred to in
11 subsection A of this section, hereinafter called the "acquiring
12 party", is to be affected:

13 a. if the person is an individual, his or her principal
14 occupation and all offices and positions held during
15 the past five (5) years, and any conviction of crimes
16 other than minor traffic violations during the past
17 ten (10) years, and

18 b. if the person is not an individual, a report of the
19 nature of its business operations during the past five
20 (5) years or for the lesser period as the person and
21 any predecessors shall have been in existence; an
22 informative description of the business intended to be
23 done by the person and the person's subsidiaries; and
24 a list of all individuals who are or who have been

1 selected to become directors or executive officers of
2 the person, or who perform or will perform functions
3 appropriate to such positions. The list shall include
4 for each individual the information required by
5 subparagraph a of this paragraph;

6 2. The source, nature and amount of the consideration used or
7 to be used in effecting the merger or other acquisition of control,
8 a description of any transaction where funds were or are to be
9 obtained for any such purpose, including any pledge of the insurer's
10 stock or the stock of any of its subsidiaries or controlling
11 affiliates, and the identity of persons furnishing consideration;
12 provided, however, that where a source of consideration is a loan
13 made in the lender's ordinary course of business, the identity of
14 the lender shall remain confidential, if the person filing the
15 statement so requests;

16 3. ~~Fully~~

17 a. If the person is an individual, personal financial
18 statements reviewed by an independent public
19 accountant, as to the earnings and financial condition
20 of each acquiring party for the preceding five (5)
21 fiscal years of each acquiring party, and similar
22 unaudited information as of a date not earlier than
23 ninety (90) days prior to the filing of the statement,
24 or

1 b. If the person is not an individual, fully audited
2 financial information as to the earnings and financial
3 condition of each acquiring party for the preceding
4 five (5) fiscal years of each acquiring party, or for
5 such lesser period as the acquiring party and any
6 predecessors shall have been in existence, and similar
7 unaudited information as of a date not earlier than
8 ninety (90) days prior to the filing of the statement;

9 4. Any plans or proposals which each acquiring party may have
10 to liquidate the insurer, to sell its assets or merge or consolidate
11 it with any person, or to make any other material change in its
12 business or corporate structure or management;

13 5. The number of shares of any security referred to in
14 subsection A of this section which each acquiring party proposes to
15 acquire, and the terms of the offer, request, invitation, agreement
16 or acquisition referred to in subsection A of this section, and a
17 statement as to the method by which the fairness of the proposal was
18 arrived at;

19 6. The amount of each class of any security referred to in
20 subsection A of this section which is beneficially owned or
21 concerning which there is a right to acquire beneficial ownership by
22 each acquiring party;

23 7. A full description of any contracts, arrangements or
24 understandings with respect to any security referred to in

1 subsection A of this section in which any acquiring party is
2 involved, including but not limited to transfer of any of the
3 securities, joint ventures, loan or option arrangements, puts or
4 calls, guarantees of loans, guarantees against loss or guarantees of
5 profits, division of losses or profits, or the giving or withholding
6 of proxies. The description shall identify the persons with whom
7 the contracts, arrangements or understandings have been entered
8 into;

9 8. A description of the purchase of any security referred to in
10 subsection A of this section during the twelve (12) calendar months
11 preceding the filing of the statement by any acquiring party,
12 including the dates of purchase, names of the purchasers and
13 consideration paid or agreed to be paid;

14 9. A description of any recommendations to purchase any
15 security referred to in subsection A of this section made during the
16 twelve (12) calendar months preceding the filing of the statement by
17 any acquiring party, or by anyone based upon interviews or at the
18 suggestion of the acquiring party;

19 10. Copies of all tender offers for, requests, or invitations
20 for tenders of, exchange offers for, and agreements to acquire or
21 exchange any securities referred to in subsection A of this section,
22 and, if distributed, additional related soliciting material;

23 11. The term of any agreement, contract or understanding made
24 with or proposed to be made with any broker-dealer as to

1 solicitation of securities referred to in subsection A of this
2 section for tender, and the amount of any fees, commissions or other
3 compensation to be paid to broker-dealers with regard thereto;

4 12. An agreement by the person required to file the statement
5 referred to in subsection A of this section that it will provide the
6 annual report, specified in subsection L of Section ~~5~~ 1635 of this
7 ~~act~~ title, for so long as control exists;

8 13. An acknowledgement by the person required to file the
9 statement referred to in subsection A of this section that the
10 person and all subsidiaries within its control in the insurance
11 holding company system will provide information to the Commissioner
12 upon request as necessary to evaluate enterprise risk to the
13 insurer; and

14 14. Such additional information as the Commissioner may by rule
15 or regulation prescribe as necessary or appropriate for the
16 protection of policyholders of the insurer or in the public
17 interest. If the person required to file the statement referred to
18 in subsection A of this section is a partnership, limited
19 partnership, syndicate or other group, the Commissioner may require
20 that the information required pursuant to paragraphs 1 through 14 of
21 this subsection shall be given with respect to each partner of the
22 partnership or limited partnership, each member of the syndicate or
23 group, and each person who controls the partner or member. If any
24 partner, member or person is a corporation or the person required to

1 file the statement referred to in subsection A of this section is a
2 corporation, the Commissioner may require that the information
3 required pursuant to paragraphs 1 through 14 of this subsection
4 shall be given with respect to the corporation, each officer and
5 director of the corporation, and each person who is directly or
6 indirectly the beneficial owner of more than ten percent (10%) of
7 the outstanding voting securities of the corporation. If any
8 material change occurs in the facts set forth in the statement filed
9 with the Commissioner and sent to the insurer pursuant to this
10 section, an amendment setting forth the change, together with copies
11 of all documents and other material relevant to the change, shall be
12 filed with the Commissioner and sent to the insurer within two (2)
13 business days after the person learns of the change.

14 C. If any offer, request, invitation, agreement or acquisition
15 referred to in subsection A of this section is proposed to be made
16 by means of a registration statement under the Securities Act of
17 1933, or in circumstances requiring the disclosure of similar
18 information under the Securities Exchange Act of 1934 or under a
19 state law requiring similar registration or disclosure, the person
20 required to file the statement referred to in subsection A of this
21 section may utilize the documents in furnishing the information
22 called for by that statement.

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1 D. 1. The Commissioner shall approve any merger or other
2 acquisition of control referred to in subsection A of this section
3 unless, after a public hearing, the Commissioner finds that:

4 a. after the change of control, the domestic insurer
5 referred to in subsection A of this section would not
6 be able to satisfy the requirements for the issuance
7 of a license to write the line or lines of insurance
8 for which it is presently licensed,

9 b. the effect of the merger or other acquisition of
10 control would be substantially to lessen competition
11 in insurance in this state or tend to create a
12 monopoly. In applying the competitive standard in
13 this subparagraph:

14 (1) the informational requirements of paragraph 1 of
15 subsection C of Section 4 1634 of this ~~act~~ title
16 and the standards of paragraph 2 of subsection D
17 of Section 4 1634 of this ~~act~~ title shall apply,

18 (2) the merger or other acquisition shall not be
19 disapproved if the Commissioner finds that any of
20 the situations meeting the criteria provided by
21 paragraph 3 of subsection D of Section 4 1634 of
22 this ~~act~~ title exist, and

23 (3) the Commissioner may condition the approval of
24 the merger or other acquisition on the removal of

1 the basis of disapproval within a specified
2 period of time,

3 c. the financial condition of any acquiring party is such
4 as might jeopardize the financial stability of the
5 insurer, or prejudice the interest of its
6 policyholders,

7 d. the plans or proposals which the acquiring party has
8 to liquidate the insurer, sell its assets or
9 consolidate or merge it with any person, or to make
10 any other material change in its business or corporate
11 structure or management, are unfair and unreasonable
12 to policyholders of the insurer and not in the public
13 interest,

14 e. the competence, experience and integrity of those
15 persons who would control the operation of the insurer
16 are such that it would not be in the interest of
17 policyholders of the insurer and of the public to
18 permit the merger or other acquisition of control, or

19 f. the acquisition is likely to be hazardous or
20 prejudicial to the insurance-buying public.

21 2. The public hearing referred to in paragraph 1 of this
22 subsection shall be held within thirty (30) days after the statement
23 required by subsection A of this section is filed, and at least
24 twenty (20) days' notice shall be given by the Commissioner to the

1 person filing the statement. Not less than fourteen (14) days'
2 notice of the public hearing shall be given by the person filing the
3 statement to the insurer and to such other persons as may be
4 designated by the Commissioner. The insurer shall give notice to
5 its securityholders. The Commissioner shall make a determination
6 within the sixty-day period preceding the effective date of the
7 proposed transaction. At the hearing, the person filing the
8 statement, the insurer, any person to whom notice of hearing was
9 sent, and any other person whose interest may be affected shall have
10 the right to present evidence, examine and cross-examine witnesses,
11 and offer oral and written arguments and in connection therewith
12 shall be entitled to conduct discovery proceedings in the same
13 manner as is presently allowed by subsection A of Section 317 of
14 ~~Title 36 of the Oklahoma Statutes~~ this title. All discovery
15 proceedings shall be concluded not later than three (3) days prior
16 to the commencement of the public hearing.

17 3. If the proposed acquisition of control will require the
18 approval of more than one state's Commissioner, the public hearing
19 referred to in paragraph 2 of this subsection may be held on a
20 consolidated basis upon request of the person filing the statement
21 referred to in subsection A of this section. Such person shall file
22 the statement referred to in subsection A of this section with the
23 National Association of Insurance Commissioners (NAIC) within five
24 (5) days of making the request for a public hearing. The

1 Commissioner may opt out of a consolidated hearing, and shall
2 provide notice to the applicant of the opt-out within ten (10) days
3 of the receipt of the statement referred to in subsection A of this
4 section. A hearing conducted on a consolidated basis shall be
5 public and shall be held within the United States before the
6 Commissioners of the states in which the insurers are domiciled.
7 Such Commissioners shall hear and receive evidence. A Commissioner
8 may attend such hearing, in person or by telecommunication.

9 4. In connection with a change of control of a domestic
10 insurer, any determination by the Commissioner that the person
11 acquiring control of the insurer shall be required to maintain or
12 restore the capital of the insurer to the level required by the laws
13 and regulations of this state shall be made not later than sixty
14 (60) days after the date of notification of the change in control
15 submitted pursuant to paragraph 1 of subsection A of Section 3 of
16 this act.

17 5. The Commissioner may retain at the acquiring person's
18 expense any attorneys, actuaries, accountants and other experts not
19 otherwise a part of the Commissioner's staff as may be reasonably
20 necessary to assist the Commissioner in reviewing the proposed
21 acquisition of control.

22 E. The provisions of this section shall not apply to any offer,
23 request, invitation, agreement or acquisition which the Commissioner
24 by order shall exempt as not having been made or entered into for

1 the purpose and not having the effect of changing or influencing the
2 control of a domestic insurer, or as otherwise not comprehended
3 within the purposes of this section.

4 F. The following shall be violations of this section:

5 1. The failure to file any statement, amendment or other
6 material required to be filed pursuant to subsection A or B of this
7 section; or

8 2. The effectuation or any attempt to effectuate an acquisition
9 of control of, divestiture of, or merger with, a domestic insurer
10 unless the Commissioner has given approval.

11 G. The courts of this state are hereby vested with jurisdiction
12 over every person not resident, domiciled or authorized to do
13 business in this state who files a statement with the Commissioner
14 under this section, and overall actions involving such person
15 arising out of violations of this section, and each such person
16 shall be deemed to have performed acts equivalent to and
17 constituting an appointment by the person of the Commissioner to be
18 his or her true and lawful attorney upon whom may be served all
19 lawful process in any action, suit or proceeding arising out of
20 violations of this section. Copies of all lawful process shall be
21 served on the Commissioner and transmitted by registered or
22 certified mail by the Commissioner to the person at his or her last-
23 known address.

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1 SECTION 4. AMENDATORY 36 O.S. 2021, Section 4423, is
2 amended to read as follows:

3 Section 4423. A. The requirements of the Long-Term Care
4 Insurance Act shall apply to policies, other than life care
5 community policies delivered or issued for delivery in this state on
6 or after November 1, 1987. The requirements of the Long-Term Care
7 Insurance Act shall apply to life care community policies delivered
8 or issued for delivery in this state on or after November 1, 1989.

9 B. Notwithstanding any other provision, the Long-Term Care
10 Insurance Act shall not apply to the following:

11 1. Residential care homes licensed pursuant to the Oklahoma
12 Residential Care Act;

13 2. Assisted living centers and continuum of care facilities
14 licensed pursuant to the Oklahoma Continuum of Care and Assisted
15 Living Act; or

16 3. Facilities licensed pursuant to the Oklahoma Nursing Home
17 Care Act.

18 C. The Long-Term Care Insurance Act is not intended to
19 supersede the obligations of entities subject to said act to comply
20 with the substance of other applicable insurance laws insofar as
21 they do not conflict with the Long-Term Care Insurance Act, except
22 that laws and regulations designed and intended to apply to Medicare
23 supplement insurance policies shall not apply to long-term care
24 insurance. A policy which is not advertised, marketed or offered as

1 long-term care insurance need not meet the requirements of the Long-
2 Term Care Insurance Act. The Long-Term Care Insurance Act is not
3 intended to require life care communities to be licensed insurers.
4 Life care communities which are not licensed insurers shall not be
5 subject to the provisions of the Insurance Code or the jurisdiction
6 of the Insurance Commissioner, except as provided in the Long-Term
7 Care Insurance Act.

8 D. A person may not sell, solicit, or negotiate long-term care
9 insurance unless the person is licensed as an insurance producer for
10 accident and health or sickness or life. For purposes of this
11 subsection, "terms" shall have the same definitions as set forth in
12 Section 1435.2 of this title.

13 SECTION 5. REPEALER 36 O.S. 2021, Section 1416, is
14 hereby repealed.

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

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