

1 **SENATE FLOOR VERSION**

2 February 22, 2021

3 COMMITTEE SUBSTITUTE
4 FOR
5 SENATE BILL NO. 1030

By: Quinn of the Senate

and

Mize of the House

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9 An Act relating to the Oklahoma Insurance Code;
10 amending 36 O.S. 2011, Section 311.4, as amended by
11 Section 1, Chapter 275, O.S.L. 2014 (36 O.S. Supp.
12 2020, Section 311.4), which relates to frequency of
13 examinations and filing fees; providing deadline for
14 paying certain fee; establishing civil penalty for
15 violation; providing enforcement method of penalty;
16 and providing an effective date.

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

18 SECTION 1. AMENDATORY 36 O.S. 2011, Section 311.4, as
19 amended by Section 1, Chapter 275, O.S.L. 2014 (36 O.S. Supp. 2020,
20 Section 311.4), is amended to read as follows:

21 Section 311.4. A. Insurers authorized to do business under the
22 provisions of the Oklahoma Insurance Code shall annually file with
23 the Insurance Commissioner market conduct annual statements
24 reporting market conduct data of insurers on the thirty-first day of
December of the previous year. The statements shall report on the
lines of insurance and be in such general form and context as

1 approved by the National Association of Insurance Commissioners
2 (NAIC), and as supplemented for additional information required by
3 the Insurance Commissioner by rule. The statements shall be
4 prepared in accordance with NAIC instructions, including any
5 supplemental filings described in the NAIC instructions. If no
6 forms or instructions are available from the National Association of
7 Insurance Commissioners, the statements shall be in the form and
8 pursuant to instructions and deadlines as provided by the Insurance
9 Commissioner. Insurers not authorized by the Insurance Commissioner
10 to provide the lines of insurance approved by the National
11 Association or the Insurance Commissioner shall not be required to
12 file market conduct annual statements. For good cause shown, the
13 Insurance Commissioner may extend the time within which market
14 conduct annual statements may be filed. The Insurance Commissioner
15 may provide copies of market conduct annual statements, amendments,
16 and addendums to such statements and market conduct data taken from
17 such statements to the National Association of Insurance
18 Commissioners only if, prior to sharing of the market conduct annual
19 statements, amendments, addendums to such statements or market
20 conduct data taken from such statements, the National Association of
21 Insurance Commissioners enters into a written agreement with the
22 Insurance Commissioner to maintain the confidentiality of the shared
23 information.

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1 B. The Insurance Commissioner may adopt rules implementing this
2 section including rules that:

3 1. Add lines of insurance to be reported in market conduct
4 annual statements; and

5 2. Require the filing of market conduct annual statements and
6 any amendments and addendums to such statements with the National
7 Association of Insurance Commissioners, and the payment of
8 applicable filing fees required by the NAIC.

9 C. Insurers shall pay a filing fee of Two Hundred Dollars
10 (\$200.00) to the Insurance Commissioner for the filing of the market
11 conduct annual statement due at the time of filing, in accordance
12 with NAIC filing deadlines.

13 D. No waiver of an applicable privilege or claim of
14 confidentiality in the documents, materials, or other information
15 shall occur as a result of disclosure to the Insurance Commissioner
16 or the Commissioner's designee under this section or as a result of
17 sharing the documents, materials or other information as provided in
18 this section.

19 E. Market conduct annual statements and any amendments and
20 addendums to such statements, filed with the Insurance Commissioner
21 pursuant to this section in electronic format or otherwise, shall be
22 treated as working papers and documents as set out in subsection F
23 of Section 309.4 of this title.

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1 F. The Insurance Commissioner may use market conduct annual
2 statements or amendments or addendums to such statements to assist
3 in determining whether a market conduct examination or investigation
4 of an insurer should be conducted. For purposes of completing a
5 market conduct examination of any company under Sections 309.1
6 through 309.7 of this title, the Insurance Commissioner may, in the
7 sole discretion of the Insurance Commissioner, use market conduct
8 annual statements or amendments or addendums to such statements to
9 assist in determining compliance with the laws of this state and
10 rules adopted by the Insurance Commissioner.

11 G. For any violation of this section, the Insurance
12 Commissioner may, after notice and opportunity for a hearing,
13 subject an insurer to a civil penalty of up to One Thousand Dollars
14 (\$1,000.00) for each occurrence. The civil penalty may be enforced
15 in the same manner in which civil judgments may be enforced.

16 SECTION 2. This act shall become effective November 1, 2021.
17 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
18 February 22, 2021 - DO PASS AS AMENDED
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