

An Act

ENROLLED SENATE
BILL NO. 1241

By: Quinn of the Senate

and

Sneed of the House

An Act relating to insurance; amending 36 O.S. 2021, Sections 1683, 1684, 1685, and 1686, which relate to the Insurance Business Transfer Act; modifying and providing definitions; conforming language; requiring certain notice be provided by transferring insurer; modifying means of transmission of notice; modifying terms for plan approval and petition process; modifying inclusions for certain court judgement and order; providing that certain unexpired and in-force policies not be transferred; allowing court to approve certain requested transfer with deferred effectiveness; updating statutory language; and declaring an emergency.

SUBJECT: Insurance

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

SECTION 1. AMENDATORY 36 O.S. 2021, Section 1683, is amended to read as follows:

Section 1683. 1. "Affiliate" has the meaning ascribed to such term in Section 1631 of ~~Title 36 of the Oklahoma Statutes~~ this title.

2. "Applicant" means an assuming insurer, a transferring insurer, or a reinsurer applying to the Commissioner for approval of

an Insurance Business Transfer Plan pursuant to this act under Section 1686 of this title.

3. "Assuming insurer" means an insurer domiciled in ~~the State of Oklahoma~~ this state that assumes or seeks to assume policies from a transferring insurer pursuant to this act. An assuming insurer may be a company established pursuant to the Oklahoma Captive Insurance Company Act.

4. "Court" means the ~~District Court~~ district court of Oklahoma County, Oklahoma a county in Oklahoma with a population of more than two hundred fifty thousand (250,000).

5. "Department" means the ~~Oklahoma~~ Insurance Department.

6. "Commissioner" means the ~~Oklahoma~~ Insurance Commissioner.

7. "Implementation order" means an order issued by the ~~Court~~ court under Section 1686 of this title.

8. "Independent expert" means a person who shall assist the Commissioner and the court in connection with their review of a proposed transaction. The Commissioner shall select an independent expert from a list of at least two nominees submitted jointly by the transferring insurer and the assuming insurer; provided, however, if the Commissioner, in his or her sole discretion, rejects the nominees submitted jointly by the transferring insurer and the assuming insurer, the Commissioner may appoint another person to serve as an independent expert. An independent expert selected under this subsection shall meet all of the following criteria:

- a. hold no financial interest in either the assuming insurer or the transferring insurer,
- b. not be employed by, or act as an officer, director, consultant, or independent contractor for either the assuming insurer or the transferring insurer within the previous twelve (12) months,
- c. not be simultaneously appointed by the Commissioner to assist in any capacity in any proceeding initiated pursuant to Article 18 or Article 19 of this title,

- d. receives or is promised no compensation in connection with the Insurance Business Transfer for which he or she is selected to serve as an independent expert; provided, however, a fee may be approved by the Commissioner that is not contingent upon the approval or consummation of an Insurance Business Transfer Plan, and
- e. provides proof of insurance covering the services provided as an independent expert, to be approved by the commissioner.

9. "Insurance Business Transfer" means a transfer and novation in accordance with this act. Insurance Business Transfers will transfer insurance obligations, ~~or risks, or both rights, or any combination thereof,~~ of existing or in-force contracts of insurance or reinsurance from a transferring insurer to an assuming insurer. Once approved pursuant to this act, the Insurance Business Transfer will effect a transfer and novation of the transferred contracts of insurance or reinsurance with the result that the assuming insurer becomes directly liable to the policyholders of the transferring insurer and the transferring insurer's insurance obligations or risks, or both, under the contracts are extinguished.

~~9.~~ 10. "Insurance Business Transfer Plan" or "Plan" means the plan submitted to the Department to accomplish the transfer and novation pursuant to an Insurance Business Transfer, including any associated transfer of assets and rights from or on behalf of the transferring insurer to the assuming insurer.

~~10.~~ "~~Independent expert~~" means ~~an impartial person who has no financial interest in either the assuming insurer or transferring insurer, has not been employed by or acted as an officer, director, consultant or other independent contractor for either the assuming insurer or transferring insurer within the past twelve (12) months, is not appointed by the Commissioner to assist in any capacity in any proceeding initiated pursuant to Article 18 or Article 19 of Title 36 of the Oklahoma Statutes and is receiving no compensation in connection with the transaction governed by this act other than a fee based on an hourly basis that is not contingent on the approval~~

~~or consummation of an Insurance Business Transfer and provides proof of insurance coverage that is satisfactory to the Commissioner.~~

11. "Insurer" means an insurance or surety company, including a reinsurance company, and shall be deemed to include a corporation, company, partnership, association, society, order, individual or aggregation of individuals engaging in or proposing or attempting to engage in any kind of insurance or surety business, including the exchanging of reciprocal or inter-insurance contracts between individuals, partnerships and corporations.

12. "Petitioner" means an assuming insurer, transferring insurer, or reinsurer petitioning a court for an order of approval and implementation of a Plan pursuant to this act.

13. "Policy" means a policy, annuity contract or certificate of insurance or a contract of reinsurance pursuant to which the insurer agrees to assume an obligation or risk, or both, of the policyholder or to make payments on behalf of, or to, the policyholder or its beneficiaries, and shall include property, casualty, life, health and any other line of insurance the Commissioner finds, pursuant to this act, via regulation is suitable for an insurance business transfer.

~~13.~~ 14. "Policyholder" means an insured or a reinsured under a policy ~~that~~ which is part of the subject business.

~~14.~~ 15. "Subject business" means the policy or policies designated for transfer and novation ~~that are the subject of the~~ pursuant to a corresponding Insurance Business Transfer Plan.

~~15.~~ 16. "Transfer and novation" means the transfer of insurance obligations, ~~or~~ risks, rights, or ~~both~~ any combination thereof, of existing or in-force policies from a transferring insurer to an assuming insurer, and is intended to effect a transfer and novation of the transferred policies with the result that the assuming insurer becomes directly liable to the policyholders of the transferring insurer on the transferred policies and the transferring insurer's insurance obligations, ~~or~~ risks, rights, or ~~both~~ any combination thereof, under the transferred policies are extinguished.

~~16.~~ 17. "Transferring insurer" means an insurer or reinsurer ~~that which~~ seeks to or has accomplished a transfer and novation of transfers and novates or seeks to transfer and novate obligations, or risks, rights, or both any combination thereof, under one or more policies to an assuming insurer pursuant to an Insurance Business Transfer Plan and the provisions of this act.

SECTION 2. AMENDATORY 36 O.S. 2021, Section 1684, is amended to read as follows:

Section 1684. A. The court considering ~~applications~~ petitions brought under the Insurance Business Transfer Act shall have the same jurisdiction as a court order under Article 19 of ~~Title 36 of the Oklahoma Statutes~~ this title.

B. Venue for all court proceedings under this act shall lie in the ~~District Court of Oklahoma County, Oklahoma~~ court as defined pursuant to subsection 4 of Section 1683 of this title.

C. Notwithstanding any other provision of law, the court may issue any order, process, or judgment ~~that is~~ necessary or appropriate to carry out the provisions of this act. No provision of this act shall be construed to preclude the court from, on its own motion, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of power.

SECTION 3. AMENDATORY 36 O.S. 2021, Section 1685, is amended to read as follows:

Section 1685. A. Whenever notice is required to be given ~~by the applicant~~ under the Insurance Business Transfer Act and except as otherwise permitted or directed by the court or the Insurance Commissioner, ~~the applicant shall,~~ the notice shall be transmitted within ~~fifteen (15)~~ forty-five (45) days of the event triggering the requirement, ~~cause transmittal of the notice:~~

1. By first-class mail, postage prepaid to the chief insurance regulator in each jurisdiction in which the ~~applicant~~ transferring insurer:

a. holds or has ever held a certificate of authority, and

- b. in which policies that are part of the subject business were issued or policyholders currently reside;

2. By certified first-class mail, postage prepaid to the National Conference of Insurance Guaranty Funds, the National Organization of Life and Health Insurance Guaranty Associations and all state insurance guaranty associations for the states in which the ~~applicant~~ transferring insurer:

- a. holds or has ever held a certificate of authority, and
- b. in which policies that are part of the subject business were issued or policyholders currently reside;

3. To reinsurers of the ~~applicant~~ transferring insurer pursuant to the notice provisions of the reinsurance agreements applicable to the policies that are part of the subject business, or where an agreement has no provision for notice, by internationally recognized delivery service;

4. By United States mail, first-class postage prepaid, or by any internationally recognized delivery service, to all policyholders holding policies that are part of the subject business, at their last-known address as indicated by the records of the ~~applicant~~ transferring insurer or to the address to which premium notices or other policy documents are sent. ~~A notice of transfer~~ Notice shall also be sent to the transferring insurer's agents or brokers of record on the subject business; ~~and~~

5. By electronic means to any person or entity identified in subsection A of this section who provided consent to notice or service in an agreement included in or related to the subject business or otherwise consents in writing to receiving service by electronic mail and provides instructions for making the electronic notice or service. For the purposes of this subsection, "electronic means" shall include communications by facsimile or electronic mail; and

6. By publication in a newspaper of general circulation in the state in which the ~~applicant~~ transferring insurer has its principal place of business and in such other publications that the Commissioner requires.

B. If notice is given in accordance with this section, any information or orders under this act shall be conclusive with respect to all intended recipients of the notice, whether or not ~~they~~ the intended recipients receive actual notice.

C. Where this act requires that the applicant or petitioner provide notice, but ~~the Commissioner has been named receiver of the applicant~~ a receiver of the insurer has been appointed pursuant to the laws of the insurer's home jurisdiction, the ~~Commissioner receiver~~ shall provide the required notice.

SECTION 4. AMENDATORY 36 O.S. 2021, Section 1686, is amended to read as follows:

Section 1686. A. Application Procedure to the Commissioner for Approval of Insurance Business Transfer Plan.

1. An Insurance Business Transfer Plan must be filed by the applicant with the Insurance Commissioner for his or her review and approval. The Plan must contain the information set forth below or an explanation as to why the information is not included. The Plan may be supplemented or revised with additional, updated, or by other information as it becomes available or when deemed necessary by the Commissioner:

- a. the name, address and telephone number of the transferring insurer and the assuming insurer and their respective direct and indirect controlling persons, if any,
- b. summary of the Insurance Business Transfer Plan,
- c. identification and description of the subject business,
- d. most recent audited financial statements and statutory annual and quarterly reports of the transferring

insurer and assuming insurer filed with their domiciliary regulator,

- e. the most recent actuarial report and opinion that quantify the liabilities associated with the subject business,
- f. pro-forma financial statements showing the projected statutory balance sheet, results of operations and cash flows of the assuming insurer for the three (3) years following the proposed transfer and novation,
- g. officers' certificates of the transferring insurer and the assuming insurer attesting that each has obtained all required internal approvals and authorizations regarding the Insurance Business Transfer Plan and completed all necessary and appropriate actions relating thereto,
- h. proposal for Plan implementation and administration, ~~including the form of notice to be provided under the Insurance Business Transfer Plan to any policyholder whose policy is part of the subject business,~~
- i. form of notice to be provided under the Insurance Business Transfer Plan to any policyholder whose policy is part of the subject business including full description as to how such notice shall be provided,
- j. description of any reinsurance arrangements that ~~would~~ will pass to the assuming insurer under the Insurance Business Transfer Plan,
- k. description of any guarantees or additional reinsurance that will cover the subject business following the transfer and novation,
- l. a statement describing the assuming insurer's proposed investment policies and any contemplated third-party claims management and administration arrangements,

- m. evidence of approval or nonobjection of the transfer from the chief insurance regulator of the state of the transferring insurer's domicile, and
- n. an opinion report from an independent expert, ~~selected by the Commissioner from a list of at least two nominees submitted jointly by the transferring insurer and the assuming insurer, to assist the Commissioner and the court in connection with their review of the proposed transaction. Should the Commissioner, in his or her sole discretion, reject the nominees, he or she may appoint the independent expert. The report which~~ shall provide the following:
 - (1) a statement of the independent expert's professional qualifications and descriptions of the experience that qualifies him or her as an expert suitable for the engagement,
 - (2) whether the independent expert has, or has had, direct or indirect interest in the transferring or assuming insurer or any of their respective affiliates,
 - (3) the scope of the report,
 - (4) a summary of the terms of the Insurance Business Transfer Plan to the extent relevant to the report,
 - (5) a listing and summaries of documents, reports and other material information the independent expert has considered in preparing the report and whether any information requested was not provided,
 - (6) the extent to which the independent expert has relied on information provided by and the judgment of others,

- (7) the people ~~on~~ upon whom the independent expert has relied and why, in his or her opinion, such reliance is reasonable,
- (8) the independent expert's opinion of the likely effects of the Insurance Business Transfer Plan on policyholders, reinsurers, and claimants, distinguishing between:
 - (a) transferring policyholders, reinsurers, and claimants,
 - (b) policyholders, reinsurers, and claimants of the transferring insurer whose policies will not be transferred, and
 - (c) policyholders, reinsurers, and claimants of the assuming insurer,
- (9) for each opinion that the independent expert expresses in the report the facts and circumstances supporting the opinion, and
- (10) consideration as to whether the security position of policyholders that are affected by the Insurance Business Transfer are materially adversely affected by the transfer.

2. The independent expert's opinion report as required by subparagraph n of paragraph 1 of this subsection shall include, but not be limited to, a review of the following:

- a. analysis of the transferring insurer's actuarial review of reserves for the subject business to determine the reserve adequacy,
- b. analysis of the financial condition of the transferring insurer and assuming ~~insurers~~ insurer and the effect the ~~transfer~~ Insurance Business Transfer will have on the financial condition of each insurance company,

- c. review of the plans or proposals the assuming insurer has with respect to the administration of the policies subject to the ~~proposed transfer~~ plan,
- d. whether the proposed transfer has a material, ~~adverse impact~~ adverse effect on the policyholders, reinsurers, and claimants of the transferring and the assuming insurers,
- e. analysis of the assuming insurer's corporate governance structure to ensure ~~that there is~~ proper board and management oversight and expertise to manage the subject business, and
- f. any other information ~~that~~ the Commissioner requests in order to review the Insurance Business Transfer.

3. The Commissioner shall have sixty (60) business days from the date of receipt of a complete Insurance Business Transfer Plan to review the Plan to determine if the applicant is authorized to submit it to the court. The Commissioner may extend the sixty-day review period for an additional thirty (30) business days.

4. The Commissioner shall authorize the submission of the Plan to the court unless he or she finds that the Insurance Business Transfer ~~would have~~ will cause a material adverse ~~impact~~ adverse effect on the interests of policyholders, reinsurers, or claimants that are part of the subject business.

5. If the Commissioner determines that the Insurance Business Transfer ~~would have~~ will cause a material adverse ~~impact~~ adverse effect on the interests of policyholders, reinsurers, or claimants that are part of the subject business, ~~he or she~~ the Commissioner shall notify the applicant and specify any modifications, supplements or amendments and any additional information or documentation with respect to the Plan that must be provided to the Commissioner before he or she will allow the applicant to proceed with the court filing.

6. The applicant shall have thirty (30) days from the date the Commissioner notifies him or her, pursuant to paragraph 5 of this subsection, to file an amended Insurance Business Transfer Plan providing the modifications, supplements or amendments and

additional information or documentation as requested by the Commissioner. If necessary the applicant may request in writing an extension of time of thirty (30) days. If the applicant does not make an amended filing within the time period provided for in this paragraph, including any extension of time granted by the Commissioner, the Insurance Business Transfer Plan filing will terminate and a subsequent filing by the applicant will be considered a new filing which shall require compliance with all provisions of this act as if the prior filing had never been made.

7. The Commissioner's review period in paragraph 3 of this subsection shall recommence when the modification, supplement, amendment or additional information requested in paragraph 5 of this subsection is received.

8. If the Commissioner determines that the ~~Plan~~ applicant may proceed with filing a petition with the court ~~filing~~ seeking approval and implementation of the Plan, the Commissioner shall confirm that fact in writing to the applicant.

B. Application Petition to the court for approval and implementation of the Insurance Business Transfer Plan.

1. Within thirty (30) days after ~~notice~~ the filing and transmission of the Commissioner's order determining the ~~from the Commissioner that the applicant may proceed with the court filing,~~ the applicant shall apply to the court for approval of the Insurance Business Transfer Plan satisfies the requirements of this act, the assuming insurer, transferring insurer, or reinsurer may file a petition with the court seeking an order of approval and implementation of the Insurance Business Transfer Plan. Upon written request by the applicant to the Commissioner, the ~~Commissioner may extend the period for filing an application a~~ petition under this subsection with the court may be extended for an additional thirty (30) days.

2. The ~~applicant~~ petition shall ~~inform the court of the reasons why he or she petitions the court to find no material adverse impact to policyholders or claimants affected by the proposed transfer.~~ include:

a. relief sought,

- b. information, arguments, and authorities supporting the requested relief including information and analysis which will support the court's finding that the plan will not result in a material adverse effect to policyholders, reinsurers, or claimants,
- c. the Insurance Business Transfer Plan,
- d. preliminary list of witnesses and exhibits which the petitioner reasonably intends to present to the court, and
- e. request for the court to enter judgement in favor of the petitioner, which shall include finding of fact, conclusion of law, order of approval and implementation of the Plan, and retention of jurisdiction to allow the parties to request such orders regarding incidental, consequential, and supplementary matters necessary to assure the full and effective implementation of the Plan.

~~3. The application shall be in the form of a verified petition for implementation of the Insurance Business Transfer Plan in the court. The petition shall include the Insurance Business Transfer Plan and shall identify any documents and witnesses which the applicant intends to present at a hearing regarding the petition.~~

~~4. The Commissioner shall be a party to the proceedings before the court concerning the petition and shall be served with copies of all filings pursuant to subsection D of Section 2005 of Title 12 of the Oklahoma Statutes and the Rules for District Courts of Oklahoma.~~

~~4. The Commissioner's position in the proceeding shall not be limited by his or her initial review of the Plan.~~

~~5. Following the filing of the petition, the applicant shall file a motion for a scheduling order setting a hearing on the petition. Within thirty (30) days after the filing of the petition, the petitioner shall file a request for the court to enter a preliminary scheduling order, which shall include a date and time for a status conference. The status conference shall occur no less~~

than fourteen (14) days after the conclusion of the sixty (60) day comment period required in paragraph 8 of this subsection.

6. ~~Within fifteen (15) days after receipt of the court enters the preliminary scheduling order, the applicant petitioner shall cause the transmission and publication of a notice of the hearing to be provided matter before the court in accordance with the notice provisions of Section 1685 of this title. Following the date of distribution of the notice, there shall be a sixty day comment period.~~ Within forty-five (45) days after receipt of the court enters the preliminary scheduling order, the applicant petitioner shall cause the transmission and publication of a notice of the hearing to be provided matter before the court in accordance with the notice provisions of Section 1685 of this title. Following the date of distribution of the notice, there shall be a sixty day comment period.

7. ~~The notice to policyholders shall state or provide~~ include:

- a. ~~the date and time of the approval hearing status conference required in paragraph 5 of this subsection,~~ the date and time of the approval hearing status conference required in paragraph 5 of this subsection,
- b. ~~the name, address and telephone number of the assuming insurer, and transferring insurer, and Commissioner for policyholders to contact to obtain further information,~~ the name, address and telephone number of the assuming insurer, and transferring insurer, and Commissioner for policyholders to contact to obtain further information,
- c. ~~that a policyholder may comment on or object to the transfer and novation procedures and deadlines for policyholders, claimants, and third parties to submit comments, objections, and requests to be heard at trial regarding the Plan,~~ that a policyholder may comment on or object to the transfer and novation procedures and deadlines for policyholders, claimants, and third parties to submit comments, objections, and requests to be heard at trial regarding the Plan,
- d. ~~the procedures and deadline for submitting comments or objections on the Plan procedure for policyholders to request the petitioner provide one (1) hard copy, free of charge, to policyholders unable to access or acquire an electronic copy of the Plan and associated information, if any,~~ the procedures and deadline for submitting comments or objections on the Plan procedure for policyholders to request the petitioner provide one (1) hard copy, free of charge, to policyholders unable to access or acquire an electronic copy of the Plan and associated information, if any,
- e. ~~a summary of any effect that the transfer and novation will have on the policyholder's rights the order entered by the Commissioner pursuant to paragraph 8 of subsection A of this section including the effect the plan will have on the policy holders, if any,~~ a summary of any effect that the transfer and novation will have on the policyholder's rights the order entered by the Commissioner pursuant to paragraph 8 of subsection A of this section including the effect the plan will have on the policy holders, if any,
- f. ~~a statement that the assuming insurer is authorized, as provided in this section, to assume the subject~~

~~business and that court approval of the Plan shall extinguish all rights of policyholders under policies that are part of the subject business against the transferring insurer name and location of the court in which the petition is filed,~~

- ~~g. that policyholders shall not have the opportunity to opt out of or otherwise reject the transfer and novation case number, parties, and other identifying information of the matter in the petition,~~
- ~~h. contact information for the Insurance Department where the policyholder may obtain further information relief sought in the petition, and~~
- ~~i. information on how an electronic copy of the Insurance Business Transfer Plan may be accessed. In the event policyholders are unable to readily access electronic copies, the applicant shall provide hard copies by first-class mail. procedure to access an electronic copy of the Plan and associated information, if any,~~
- ~~j. further notice of filings, schedules, orders, and other information will only be provided pursuant to paragraph 10 of this subsection, and~~
- ~~k. if the Plan is approved by the court, the court shall enter judgement consistent with paragraph 3 of subsection C of this section.~~

8. The last date of transmission and publication of the notice shall be followed by a comment period no less than sixty (60) days.

9. Any person, including by their legal representative, who provides written notice within the sixty (60) day comment period identified in paragraph 8 of this subsection, and states the person considers himself, herself or itself to be materially adversely affected ~~can~~ by the approval and implementation of the Plan may present evidence or comments to the court at the approval hearing trial. However, such comment or evidence shall not confer standing as a party on any person. Any person participating in any pretrial proceeding or the trial of petitioner's request for approval hearing

and implementation of the Plan must follow the process established by the court and shall bear his or her own costs and attorney fees.

10. Only parties to this matter and those persons and other third parties who file a request to provide comments, objections, or requests to be heard pursuant to paragraph 8 of this subsection shall receive further notice and copies of filings with the court, pursuant to subsection D of Section 2005 of Title 12 of the Oklahoma Statutes and the Rules for District Courts of Oklahoma; provided, however, all persons and other third parties shall receive notice pursuant to subparagraph d of paragraph 3 of subsection C of this section.

11. Within forty-five (45) days of the status conference required pursuant to paragraph 5 of this subsection, the petitioner shall file a motion for a scheduling order and to enter this matter on the court's trial docket.

C. Approval by the court of the Insurance Business Transfer Plan.

1. After the comment period pursuant to paragraph 6 of subsection B of this section has ended the Insurance Business Transfer Plan shall be presented by the applicant for approval by the court. Pursuant to a scheduling order set forth in paragraph 11 of subsection B of this section, and other orders by the court, the petitioner shall present the Insurance Business Transfer Plan, evidence, and arguments to the court for approval and implementation of the Plan.

2. At any time before the court issues an order approving the Insurance Business Transfer Plan judgement, the applicant petitioner may withdraw the Insurance Business Transfer Plan petition without prejudice to refiling.

3. If the court finds that the approval and implementation of the Insurance Business Transfer Plan would will not materially adversely affect the interests of policyholders or claimants that of policies which are part of the subject business, the court shall enter an implementation order judgement in favor of the petitioner. The implementation judgement and order shall include:

- a. ~~order implementation of the Insurance Business Transfer Plan findings of fact,~~
- b. ~~order a statutory novation with respect to all policyholders or reinsureds and their respective policies and reinsurance agreements under the subject business, including the extinguishment of all rights of policyholders under policies that are part of the subject business against the transferring insurer, and providing that the transferring insurer shall have no further rights, obligations, or liabilities with respect to such policies, and that the assuming insurer shall have all such rights, obligations, and liabilities as if it were the original insurer of such policies conclusion of law,~~
- c. ~~release the transferring insurer from any and all obligations or liabilities under policies that are part of the subject business, approval and implementation of the Plan including:~~
 - (1) simultaneous transfer and novation from the transferring insurer to the assuming insurer of the subject business with respect to all policyholders, reinsurers, claimants and their respective policies, and reinsurance agreements under the subject business,
 - (2) simultaneous transfer and novation from the transferring insurer and the assuming insurer of all property, rights, obligations, and liabilities including, but not limited to, the ceded reinsurance of transferred policies and contracts included in the subject business, notwithstanding any nonassignment provisions in any such reinsurance contracts or other agreements,
 - (3) assuming insurer shall have all of transferring insurer's rights, obligations, and liabilities regarding the subject business as if it were the original insurer of such policies including the

same standing as the transferring insurer pursuant to contract, statute, and interpretation, relating back to the issuance of such policies, and

(4) policyholders' and claimants' rights obligations and liabilities, if any, under their respective policies which are part of the subject business shall not be enlarged, extended, limited, or reduced; provided, however, the policyholders and claimants may not pursue or be pursued by the transferring insurer to satisfy their respective rights, obligations, and liabilities, but instead the policyholders and claimants may pursue or be pursued by the assuming insurer,

- d. ~~authorize and order the transfer of property or liabilities, including, but not limited to, the ceded reinsurance of transferred policies and contracts on the subject business, notwithstanding any nonassignment provisions in any such reinsurance contracts. The subject business shall vest in and become liabilities of the assuming insurer,~~
- e. ~~order that the applicant provide notice of the~~ petitioner to provide notice of the judgement including the resulting transfer and novation in accordance with the notice provisions in Section 1685 of this title, and
- ~~f. e.~~ make such other orders and provisions with respect to incidental, consequential and supplementary matters as are necessary to assure the full and effective implementation of the Insurance Business Transfer Plan is fully and effectively carried out., and
- f. retain jurisdiction of the matter to allow the parties to request such additional orders regarding incidental, consequential, and supplemental matters necessary to assure the full and effective implementation of the Plan.

4. If the court finds that the Insurance Business Transfer Plan should not be approved, the court by its order may:

- a. deny the petition, or
- b. provide the ~~applicant~~ petitioner leave to file an amended petition including an amended Insurance Business Transfer Plan and petition.

5. Nothing in this section in any way affects the right of appeal of any party.

D. An unexpired and in-force policy issued to a policyholder who resides in a state other than Oklahoma shall not be transferred and novated unless or until the assuming insurer is licensed, authorized, permitted, or otherwise legally allowed to administer the subject business in the same manner as the transferring insurer in the state of the policyholder's residence.

E. The court may approve the requested transfer and novation of the subject business, with effectiveness of all or part of the implementation deferred until the assuming insurer can satisfy the requirements pursuant to subsection D of this section.

~~D. F. Implementation of Insurance Business Transfer Plan Rules.~~

The Commissioner shall have the authority to promulgate rules to effectuate the provisions of the Insurance Business Transfer Act.

~~E. G. The review of an application for an Insurance Business Transfer, including any documents, materials, All testimony, documents, exhibits, analysis, communications, or other information or evidence submitted to the Commissioner or independent expert in contemplation of such an application, submitted to the court in support of a petition, or developed by the Commissioner or independent expert in connection with such application, or petition for approval and implementation of an Insurance Business Transfer Plan, shall be treated for purposes of confidentiality as an examination of the financial condition and/or market conduct of the transacting companies under Sections 309.1 through 309.7 of this title.~~

SECTION 5. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 22nd day of March, 2022.

Presiding Officer of the Senate

Passed the House of Representatives the 26th day of April, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____