

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL 1241

By: Quinn of the Senate

and

Sneed of the House

COMMITTEE SUBSTITUTE

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; 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 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

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

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

8 4. "Court" means the ~~District Court~~ district court of ~~Oklahoma~~
9 ~~County, Oklahoma~~ a county in Oklahoma with a population of more than
10 Two Hundred and Fifty Thousand (250,000).

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

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

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

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

- 1 a. hold no financial interest in either the assuming
2 insurer or the transferring insurer,
- 3 b. not be employed by, or act as an officer, director,
4 consultant, or independent contractor for either the
5 assuming insurer or the transferring insurer within
6 the previous twelve (12) months,
- 7 c. not be simultaneously appointed by the Commissioner to
8 assist in any capacity in any proceeding initiated
9 pursuant to Article 18 or Article 19 of this title,
- 10 d. receives or is promised no compensation in connection
11 with the Insurance Business Transfer for which he or
12 she is selected to serve as an independent expert;
13 provided, however, a fee may be approved by the
14 Commissioner that is not contingent upon the approval
15 or consummation of an Insurance Business Transfer
16 Plan, and
- 17 e. provides proof of insurance covering the services
18 provided as an independent expert, to be approved by
19 the commissioner.

20 9. "Insurance Business Transfer" means a transfer and novation
21 in accordance with this act. Insurance Business Transfers will
22 transfer insurance obligations, ~~or risks, or both~~ rights, or any
23 combination thereof, of existing or in-force contracts of insurance
24 or reinsurance from a transferring insurer to an assuming insurer.

1 Once approved pursuant to this act, the Insurance Business Transfer
2 will effect a transfer and novation of the transferred contracts of
3 insurance or reinsurance with the result that the assuming insurer
4 becomes directly liable to the policyholders of the transferring
5 insurer and the transferring insurer's insurance obligations or
6 risks, or both, under the contracts are extinguished.

7 ~~9.~~ 10. "Insurance Business Transfer Plan" or "Plan" means the
8 plan submitted to the Department to accomplish the transfer and
9 novation pursuant to an Insurance Business Transfer, including any
10 associated transfer of assets and rights from or on behalf of the
11 transferring insurer to the assuming insurer.

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

1 11. "Insurer" means an insurance or surety company~~7~~ including a
2 reinsurance company, and shall be deemed to include a corporation,
3 company, partnership, association, society, order, individual or
4 aggregation of individuals engaging in or proposing or attempting to
5 engage in any kind of insurance or surety business~~7~~ including the
6 exchanging of reciprocal or inter-insurance contracts between
7 individuals, partnerships and corporations.

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

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

19 ~~13.~~ 14. "Policyholder" means an insured or a reinsured under a
20 policy ~~that~~ which is part of the subject business.

21 ~~14.~~ 15. "Subject business" means the policy or policies
22 designated for transfer and novation ~~that are the subject of the~~
23 pursuant to a corresponding Insurance Business Transfer Plan.
24

1 ~~15.~~ 16. "Transfer and novation" means the transfer of insurance
2 obligations, ~~or~~ risks, rights, or ~~both~~ any combination thereof, of
3 existing or in-force policies from a transferring insurer to an
4 assuming insurer, and is intended to effect a transfer and novation
5 of the transferred policies with the result that the assuming
6 insurer becomes directly liable to the policyholders of the
7 transferring insurer on the transferred policies and the
8 transferring insurer's insurance obligations, ~~or~~ risks, rights, or
9 ~~both~~ or any combination thereof, under the transferred policies are
10 extinguished.

11 ~~16.~~ 17. "Transferring insurer" means an insurer or reinsurer
12 ~~that~~ which seeks to or has accomplished a transfer and novation of
13 ~~transfers and novates or seeks to transfer and novate~~ obligations,
14 ~~or~~ risks, rights, or ~~both~~ or any combination thereof, under one or
15 more policies to an assuming insurer pursuant to an Insurance
16 Business Transfer Plan and the provisions of this act.

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

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

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

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

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

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

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

22 a. holds or has ever held a certificate of authority, and
23
24

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

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

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

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

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

18 4. By United States mail, first-class postage prepaid, or by
19 any internationally recognized delivery service, to all
20 policyholders holding policies that are part of the subject
21 business, at their last-known address as indicated by the records of
22 the ~~applicant~~ transferring insurer or to the address to which
23 premium notices or other policy documents are sent. ~~A notice of~~
24

1 ~~transfer~~ Notice shall also be sent to the transferring insurer's
2 agents or brokers of record on the subject business; ~~and~~

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

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

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

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

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

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

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

- 12 a. the name, address and telephone number of the
13 transferring insurer and the assuming insurer and
14 their respective direct and indirect controlling
15 persons, if any,
- 16 b. summary of the Insurance Business Transfer Plan,
- 17 c. identification and description of the subject
18 business,
- 19 d. most recent audited financial statements and statutory
20 annual and quarterly reports of the transferring
21 insurer and assuming insurer filed with their
22 domiciliary regulator,

23

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- 1 e. the most recent actuarial report and opinion that
2 quantify the liabilities associated with the subject
3 business,
- 4 f. pro-forma financial statements showing the projected
5 statutory balance sheet, results of operations and
6 cash flows of the assuming insurer for the three (3)
7 years following the proposed transfer and novation,
- 8 g. officers' certificates of the transferring insurer and
9 the assuming insurer attesting that each has obtained
10 all required internal approvals and authorizations
11 regarding the Insurance Business Transfer Plan and
12 completed all necessary and appropriate actions
13 relating thereto,
- 14 h. proposal for Plan implementation and administration,
15 ~~including the form of notice to be provided under the~~
16 ~~Insurance Business Transfer Plan to any policyholder~~
17 ~~whose policy is part of the subject business,~~
- 18 i. form of notice to be provided under the Insurance
19 Business Transfer Plan to any policyholder whose
20 policy is part of the subject business including full
21 description as to how such notice shall be provided,
- 22 j. description of any reinsurance arrangements that ~~would~~
23 will pass to the assuming insurer under the Insurance
24 Business Transfer Plan,

- 1 k. description of any guarantees or additional
2 reinsurance that will cover the subject business
3 following the transfer and novation,
- 4 l. a statement describing the assuming insurer's proposed
5 investment policies and any contemplated third-party
6 claims management and administration arrangements,
- 7 m. evidence of approval or nonobjection of the transfer
8 from the chief insurance regulator of the state of the
9 transferring insurer's domicile, and
- 10 n. an opinion report from an independent expert, ~~selected~~
11 ~~by the Commissioner from a list of at least two~~
12 ~~nominees submitted jointly by the transferring insurer~~
13 ~~and the assuming insurer, to assist the Commissioner~~
14 ~~and the court in connection with their review of the~~
15 ~~proposed transaction. Should the Commissioner, in his~~
16 ~~or her sole discretion, reject the nominees, he or she~~
17 ~~may appoint the independent expert. The report which~~
18 shall provide the following:
- 19 (1) a statement of the independent expert's
20 professional qualifications and descriptions of
21 the experience that qualifies him or her as an
22 expert suitable for the engagement,
- 23 (2) whether the independent expert has, or has had,
24 direct or indirect interest in the transferring

1 or assuming insurer or any of their respective
2 affiliates,

3 (3) the scope of the report,

4 (4) a summary of the terms of the Insurance Business
5 Transfer Plan to the extent relevant to the
6 report,

7 (5) a listing and summaries of documents, reports and
8 other material information the independent expert
9 has considered in preparing the report and
10 whether any information requested was not
11 provided,

12 (6) the extent to which the independent expert has
13 relied on information provided by and the
14 judgment of others,

15 (7) the people ~~on~~ upon whom the independent expert
16 has relied and why, in his or her opinion, such
17 reliance is reasonable,

18 (8) the independent expert's opinion of the likely
19 effects of the Insurance Business Transfer Plan
20 on policyholders, reinsurers, and claimants,
21 distinguishing between:

22 (a) transferring policyholders, reinsurers, and
23 claimants,
24

1 (b) policyholders, reinsurers, and claimants of
2 the transferring insurer whose policies will
3 not be transferred, and

4 (c) policyholders, reinsurers, and claimants of
5 the assuming insurer,

6 (9) for each opinion that the independent expert
7 expresses in the report the facts and
8 circumstances supporting the opinion, and

9 (10) consideration as to whether the security position
10 of policyholders that are affected by the
11 Insurance Business Transfer are materially
12 adversely affected by the transfer.

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

16 a. analysis of the transferring insurer's actuarial
17 review of reserves for the subject business to
18 determine the reserve adequacy,

19 b. analysis of the financial condition of the
20 transferring insurer and assuming ~~insurers~~ insurer and
21 the effect the ~~transfer~~ Insurance Business Transfer
22 will have on the financial condition of each insurance
23 company,

- 1 c. review of the plans or proposals the assuming insurer
2 has with respect to the administration of the policies
3 subject to the ~~proposed transfer~~ plan,
- 4 d. whether the proposed transfer has a material⁷ adverse
5 ~~impact~~ effect on the policyholders, reinsurers, and
6 claimants of the transferring and the assuming
7 insurers,
- 8 e. analysis of the assuming insurer's corporate
9 governance structure to ensure ~~that there is~~ proper
10 board and management oversight and expertise to manage
11 the subject business, and
- 12 f. any other information ~~that~~ the Commissioner requests
13 in order to review the Insurance Business Transfer.

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

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

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

9 6. The applicant shall have thirty (30) days from the date the
10 Commissioner notifies him or her, pursuant to paragraph 5 of this
11 subsection, to file an amended Insurance Business Transfer Plan
12 providing the modifications, supplements or amendments and
13 additional information or documentation as requested by the
14 Commissioner. If necessary the applicant may request in writing an
15 extension of time of thirty (30) days. If the applicant does not
16 make an amended filing within the time period provided for in this
17 paragraph, including any extension of time granted by the
18 Commissioner, the Insurance Business Transfer Plan filing will
19 terminate and a subsequent filing by the applicant will be
20 considered a new filing which shall require compliance with all
21 provisions of this act as if the prior filing had never been made.

22 7. The Commissioner's review period in paragraph 3 of this
23 subsection shall recommence when the modification, supplement,
24

1 amendment or additional information requested in paragraph 5 of this
2 subsection is received.

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

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

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

21 2. The ~~applicant~~ petition shall ~~inform the court of the reasons~~
22 ~~why he or she petitions the court to find no material adverse impact~~
23 ~~to policyholders or claimants affected by the proposed transfer.~~
24 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.~~

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

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

7 ~~5. Following the filing of the petition, the applicant shall~~
8 ~~file a motion for a scheduling order setting a hearing on the~~
9 ~~petition.~~ Within thirty (30) days after the filing of the petition,
10 the petitioner shall file a request for the court to enter a
11 preliminary scheduling order, which shall include a date and time
12 for a status conference. The status conference shall occur no less
13 than fourteen (14) days after the conclusion of the sixty (60) day
14 comment period required in paragraph 8 of this subsection.

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

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

- 23 a. the date and time of the ~~approval hearing~~ status
24 conference required in paragraph 5 of this subsection,

- 1 b. the name, address and telephone number of the assuming
2 insurer, ~~and transferring insurer, and Commissioner~~
3 for policyholders to contact to obtain further
4 information,
- 5 c. ~~that a policyholder may comment on or object to the~~
6 ~~transfer and novation~~ procedures and deadlines for
7 policyholders, claimants, and third parties to submit
8 comments, objections, and requests to be heard at
9 trial regarding the Plan,
- 10 d. ~~the procedures and deadline for submitting comments or~~
11 ~~objections on the Plan~~ procedure for policyholders to
12 request the petitioner provide one (1) hard copy, free
13 of charge, to policyholders unable to access or
14 acquire an electronic copy of the Plan and associated
15 information, if any,
- 16 e. a summary of ~~any effect that the transfer and novation~~
17 ~~will have on the policyholder's rights~~ the order
18 entered by the Commissioner pursuant to paragraph 8 of
19 subsection A of this section including the effect the
20 plan will have on the policy holders, if any,
- 21 f. ~~a statement that the assuming insurer is authorized,~~
22 ~~as provided in this section, to assume the subject~~
23 ~~business and that court approval of the Plan shall~~
24 ~~extinguish all rights of policyholders under policies~~

1 ~~that are part of the subject business against the~~
2 ~~transferring insurer~~ name and location of the court in
3 which the petition is filed,

4 g. ~~that policyholders shall not have the opportunity to~~
5 ~~opt out of or otherwise reject the transfer and~~
6 ~~novation~~ case number, parties, and other identifying
7 information of the matter in the petition,

8 h. ~~contact information for the Insurance Department where~~
9 ~~the policyholder may obtain further information~~ relief
10 sought in the petition, and

11 i. ~~information on how an electronic copy of the Insurance~~
12 ~~Business Transfer Plan may be accessed. In the event~~
13 ~~policyholders are unable to readily access electronic~~
14 ~~copies, the applicant shall provide hard copies by~~
15 ~~first-class mail.~~ procedure to access an electronic
16 copy of the Plan and associated information, if any,

17 j. further notice of filings, schedules, orders, and
18 other information will only be provided pursuant to
19 paragraph 10 of this subsection, and

20 k. if the Plan is approved by the court, the court shall
21 enter judgement consistent with paragraph 3 of
22 subsection C of this section.

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

1 9. Any person, including by their legal representative, who
2 provides written notice within the sixty (60) day comment period
3 identified in paragraph 8 of this subsection, and states the person
4 considers himself, herself or itself to be materially adversely
5 affected can by the approval and implementation of the Plan may
6 present evidence or comments to the court at the approval hearing
7 trial. However, such comment or evidence shall not confer standing
8 as a party on any person. Any person participating in any pretrial
9 proceeding or the trial of petitioner's request for approval hearing
10 and implementation of the Plan must follow the process established
11 by the court and shall bear his or her own costs and attorney fees.

12 10. Only parties to this matter and those persons and other
13 third parties who file a request to provide comments, objections, or
14 requests to be heard pursuant to paragraph 8 of this subsection
15 shall receive further notice and copies of filings with the court,
16 pursuant to subsection D of Section 2005 of Title 12 of the Oklahoma
17 Statutes and the Rules for District Courts of Oklahoma; provided,
18 however, all persons and other third parties shall receive notice
19 pursuant to paragraph 7 of this subsection.

20 11. Within forty-five (45) days of the status conference
21 required pursuant to paragraph 5 of this subsection, the petitioner
22 shall file a motion for a scheduling order and to enter this matter
23 on the court's trial docket.
24

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

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

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

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

21 a. ~~order implementation of the Insurance Business~~
22 ~~Transfer Plan~~ findings of fact,

23 b. ~~order a statutory novation with respect to all~~
24 ~~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,

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

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

1 a. deny the petition, or

2 b. provide the ~~applicant~~ petitioner leave to file an
3 amended petition including an amended Insurance
4 Business Transfer Plan and petition.

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

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

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

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

22 SECTION 5. This act shall become effective November 1, 2022.

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