

**TITLE 365. INSURANCE DEPARTMENT
CHAPTER 10. LIFE, ACCIDENT AND HEALTH**

INTENDED RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 1.	General Provisions
Part 1.	General Provisions
365:10-1-14.	Notice of Withdrawal or Discontinuance of Writing [NEW]
Subchapter 5.	Minimum Standards; Contract Guidelines
Part 1.	Minimum Standards and Benefits for Accident and Health Insurance
365:10-5-9.	Disclosure of Reasonable Charge Determination [NEW]
Part 5.	Long-Term Care Insurance
365:10-5-45.1	Reporting requirements [AMENDED]
365:10-5-55.	Availability of New Services or Providers [AMENDED]
Part 17.	Actuarial Opinion and Memorandum Regulation
365:10-5-177.	Description of actuarial memorandum including an asset adequacy analysis [AMENDED]
Subchapter 15.	Utilization Review Regulations
365:10-15-2.	Private review agents [AMENDED]
Subchapter 17.	Valuation of Life Insurance Policies Regulation (Including the Introduction and Use of New Select Mortality Factors)
365:10-17-4.	General calculation requirements for basic reserves and premium deficiency reserves [AMENDED]
Subchapter 25.	Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities
365:10-25-4.	2001 CSO Preferred Class Structure Table [AMENDED]
365:10-25-5.	Conditions [AMENDED]
Appendix CC.	Long-Term Care Insurance Claims Denial Reporting Form [AMENDED]

SUMMARY:

The new Section 365:10-1-14 provides notice requirements for an insurer who desires to withdraw from writing insurance in Oklahoma.

The new Section 365:10-5-9 provides disclosure requirements for contracts or certificates of insurance which base payment for health care services, procedures or supplies on a determination of average area charges for those services, procedures or supplies. The new section also defines “average area charge” and provides requirements for the disclosure.

The amendment to Section 365:10-5-45.1 adds the definitions of “claim”, “denied” and “report” to the existing language as a result of the adoption of these amendments by the National Association of Insurance Commissioners.

The amendment to Section 365:10-5-55 changes the effective date of the section to July 14, 2010 in order to update the reference to the effective date.

The amendment to Section 365:10-5-177 clarifies a requirement of the regulatory asset adequacy issues summary.

The amendment to Section 365:10-15-2 updates the statutory reference for health maintenance organizations to reflect the relevant health maintenance organization sections of law within Title 36 of the Oklahoma Statutes.

The amendment to Section 365:10-17-4 deletes requirements for which certain select mortality factors are subject; specifically that the percentage not be less than twenty percent (20%) and that the percentage not decrease in any successive policy years. The amendment also adds the requirement of disclosure by the actuary if the percentage is less than one hundred percent (100%) at any duration for any policy. The actuary shall disclose the impact of the insufficiency of assets to support payment of benefits and expenses and the establishment of statutory reserves during one or more interim periods.

The amendment to Section 365:10-25-4 allows for the substitution of the 2001 CSO Preferred Class Structure Mortality Table and 2001 CSO Smoker or Nonsmoker Mortality Table as the minimum valuation standard for policies with the consent of the Commissioner subject to the conditions set forth in 365:10-25-5. Section 365:10-25-5 is amended to prohibit the use of the 2001 CSO Preferred Class Structure Table for the valuation of policies issued prior to January 1, 2007 if particular frequencies of modes of payment of the reinsurance premium exist.

The amendment to Appendix CC adds the manner of reporting long-term care denials to the instruction sections section of the appendix. The amendment specifies what is not included in the definition of a “denied” claim and adds a field to the form regarding the total number of In-force Policies as of the end of the year. These amendments are the result of adoptions by the National Association of Insurance Commissioners.

AUTHORITY:

Insurance Commissioner, 36 O.S. §§ 307.1, 311, 1466, 4427, 4502(B)(9)(d)(2), 6516(A)(6), 6555, and 6571.

COMMENT PERIOD:

Written or oral comments regarding the proposed rule amendment shall be received on or before February 16, 2010. Comments shall be directed to Melanie Pouncey, Staff Attorney, Oklahoma Insurance Department, P.O. Box 53408, Oklahoma City, Oklahoma 73152-3408.

PUBLIC HEARING:

A public hearing regarding the proposed rule amendment will be held February 25, 2010, at 9:30 a.m. at the Oklahoma Insurance Department, 2401 N.W. 23rd Street, Suite 28, Oklahoma City, Oklahoma 73107.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Business entities are requested to provide any increase in costs expected to be incurred due to compliance with the proposed rules. The comments shall be submitted to Melanie Pouncey, Staff Attorney, Oklahoma Insurance Department, at the mailing address above on or before February 16, 2010.

COPIES OF PROPOSED RULES:

Copies of the proposed rule amendments may be inspected at the Oklahoma Insurance Department at the physical address listed above. Office hours are from 8:00 a.m. through 5:00 p.m., Monday through Friday. Additional copies of the rules may also be obtained at the Oklahoma Insurance Department.

RULE IMPACT STATEMENT:

A rule impact statement will be prepared prior to January 15, 2010, in accordance with 75 O.S. § 303(D). A copy of the statement may be obtained at the physical address above.

CONTACT PERSON:

Melanie Pouncey, Staff Attorney, (405) 521-2746.