

**TITLE 365. INSURANCE DEPARTMENT  
CHAPTER 15. PROPERTY AND CASUALTY**

**INTENDED RULEMAKING ACTION:**

Notice of proposed PERMANENT rulemaking

**PROPOSED RULES:**

Subchapter 1.	General Provisions
365:15-1-3.	Property and Casualty Form Filings [AMENDED]
365:15-1-18.	Withdrawal or Discontinue Writing [AMENDED]
365:15-1-22.	Processing Fee for Affidavit of Exempt Status [REVOKED]
Subchapter 7.	Property and Casualty Competitive Loss Cost Rating Regulations
365:15-7-3.	Property and Casualty Rate, Loss Cost and Manual Rule Filings
[AMENDED]	
365:15-7-16.	Statistical Plans [AMENDED]
365:15-7-31.	Withdrawal or Discontinue Writing [AMENDED]
365:15-7-32.	Use of "A" Rates [AMENDED]
Subchapter 9.	Medical Professional Liability Rate Setting
365:15-9-3.	Notice to Policyholders [AMENDED]
365:15-9-10.	Property and Casualty Rate, Loss Cost and Manual Rule Filings
[AMENDED]	
365:15-9-18.	Statistical Plans [AMENDED]
365:15-9-22.	Withdrawal or Discontinue Writing [NEW]
Appendix D.	Format for Notification to Policyholders of Application for Rate
Change [AMENDED]	

**SUMMARY:**

The amendment to Section 365:15-1-3 removes a paragraph exempting filing fees for certain transactions, such as error corrections and changes in company logos for approved filings since all filings are required to be submitted electronically. The amendment also requires electronic filings through the System for Electronic Rate and Form Filing (SERFF) pursuant to SERFF General Instructions. The amendment changes the requirement for filing two (2) copies with the Insurance Department to filing one (1) copy. Notices of action taken by the Insurance Commissioner shall also be through the SERFF. The amendment also provides that extended reporting period options are not required to be offered if a policy is cancelled for nonpayment of premium or a material misrepresentation or fraud, so long as this is stated in the policy.

The amendment to Section 365:15-1-18 removes the reference to the State Board of Property and Casualty Rates and replaces it with the Rate and Form Compliance Division of the Insurance Department. The amendment also adds transferring policyholders between admitted companies within the same insurance holding company system to the provisions relating to withdrawal or discontinuation of writing insurance and provides that the ninety (90) days notice period is inclusive of any other notice requirement per line of business.

Section 365:15-1-22 is being revoked because of the online availability of the Affidavit of Exempt Status. As a result of online availability, the printing and mailing provision has made collection of the minimal fee more costly than originally intended by the rule.

The amendment to Section 365:15-7-3 removes a subsection exempting filing fees for certain transactions, such as error corrections since all filings are required to be submitted electronically and exempting these filing fees is unnecessary. The amendment also formalizes a bulletin that was previously issued by the Insurance Department by requiring electronic filings through the System for Electronic Rate and Form Filing (SERFF) pursuant to SERFF General Instructions. The amendment changes the requirement for filing two (2) copies with the Insurance Department to filing one (1) copy. Notices of action taken by the Insurance Commissioner shall also be through the SERFF.

The amendment to Section 365:15-7-16 clarifies existing statutes in Title 36 of the Oklahoma Statutes and existing regulations pertaining to statistical plans and statistical agents.

The amendment to Section 365:15-7-31 removes the reference to the State Board of Property and Casualty Rates and replaces it with the Rate and Form Compliance Division of the Insurance Department. The amendment also adds transferring policyholders between admitted companies within the same insurance holding company system to the provisions relating to withdrawal or discontinuation of writing insurance and provides that the ninety (90) days notice period is inclusive of any other notice requirement per line of business.

The amendment to Section 365:15-7-32 clarifies the application of the rules and that “a” rate filings are still use and file rather than prior approval. The amendment also requires that the justification statement be filed within thirty (30) days of the use of the rule and rate.

The amendment to Section 365:15-9-3 removes unnecessary language due to existing statutory language in Section 6821(C) of Title 36 of the Oklahoma Statutes.

The amendment to Section 365:15-9-10 removes a subsection exempting filing fees for certain transactions, such as error corrections since all filings are required to be submitted electronically and exempting these filing fees is unnecessary. The amendment also formalizes a bulletin that was previously issued by the Insurance Department by requiring electronic filings through the System for Electronic Rate and Form Filing (SERFF) pursuant to SERFF General Instructions. The amendment changes the requirement for filing two (2) copies with the Insurance Department to filing one (1) copy. Notices of action taken by the Insurance Commissioner shall also be through the SERFF.

The amendment to Section 365:15-9-18 clarifies existing statutes in Title 36 of the Oklahoma Statutes and existing regulations pertaining to statistical plans and statistical agents.

The new Section 365:15-9-22 adds provisions regarding the withdrawal or discontinue writing of medical malpractice insurance or programs in Oklahoma. This new section requires medical malpractice insurance carriers to notify the Insurance Department so that the Insurance Department may monitory which companies within the state are currently offering medical malpractice coverage.

Appendix D is being amended to reflect that approvals of increases must be on a percentage basis rather than seeking approvals based on a rate change and to reflect that the form should be submitted to the Rate and Form Compliance Division of the Insurance Department.

**AUTHORITY:**

Insurance Commissioner, 36 O.S. §§ 307.1, 924.4, 986, 987, and 6812.1

**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.