
Addendum: for use with Oklahoma Life & Health online ExamFX courses and study guides version number 24618en/24624en per regulatory updates effective 07/01/2021.

*The following are **content additions or revisions**, as indicated, to supplement your existing text:*

LIFE & HEALTH

State Insurance Statutes, Rules, and Regulations

A. Licensing

2. Types of Licensees

Self-Service Storage Insurance – *addition to the Limited Lines Producer*

Self-service storage insurance means personal property insurance offered to occupants of a self-service storage facility in connection with and incidental to the rental of space at the self-service storage facility. Self-service storage insurance is limited to coverage against the loss of or physical damage to personal property that occurs on the premises of the self-service storage facility or when the personal property is in transit to or from the self-service storage facility during the period of the rental agreement. Self-service storage insurance may be provided under an individual, master, corporate, commercial or group insurance policy.

The owner of a self-service storage facility may sell, solicit, and offer coverage for self-service storage insurance as long as the owner holds a **limited lines license**. This type of license is valid for a period of 24 months.

5. Disciplinary Actions

Prosecution of Producer

Licensed producers must report to the Commissioner any **administrative action** taken against them in another jurisdiction or another governmental agency in this state within **30 days** of the final disposition of the matter. The report must include a copy of the order, consent to order or any other relevant legal documents.

Within **30 days** of the initial pretrial hearing date, a licensee subject to this statute must report to the Commissioner any **criminal prosecution** of that person taken in any jurisdiction. The report must include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

Failure to comply with this statute will result in immediate suspension of a license or a renewal of a producer license.

B. State Insurance Statutes and Rules

4. Unfair Claims Settlement Practices – *time limit for response changed from 30 days to 20 calendar days; the rest of the section remains unchanged*

Insurers must maintain detailed **claim files**, which will be subject to examination by the Commissioner. The Commissioner must also have access to any other files relating to a particular complaint under investigation or to an inquiry or examination by the Insurance Department. Insurer must maintain complete **record of complaints** received during the preceding **3 years** or since the date of its last financial examination. Upon receiving an inquiry from the Commissioner concerning a claim or problem involving premiums, any person subject to the jurisdiction of the Commissioner must provide the Commissioner with an adequate response within **20 calendar days**. The Commissioner may, upon good cause shown and on a case-by-case basis, extend the time allowed for a response for up to 7 additional calendar days. Any inquiry or response subject to this statute must be delivered electronically.

E. Regulations for Life/Health Insurance Only

2. Other Life Insurance Requirements

Proof of Loss – *time limit to respond to a claim changed from 90 days to 60 days*

Upon a written request from an insured, an insurer is required to furnish forms of proof of loss. Once the insurer receives a proof of loss, the insurer must respond with a written offer to settle or to reject the claim **within 60 days**.

Living Organ Donor – *new section*

Insurers in this state may NOT refuse to insure, or limit the amount, extent, or kind of coverage available for life insurance, disability insurance, or long-term care insurance to an individual, or charge an individual a different rate for the same coverage solely because of his or her status as a **living organ donor**. With respect to all other conditions, persons who are living organ donors must be subject to the same standards of actuarial principles or experience as are persons who are not organ donors.

LIFE:

Viatical Settlements – *new section on the outline*

The following terms and definitions apply to viatical settlements issued in this state:

Business of viatical settlements means an activity involved in, but not limited to, the offering, soliciting, negotiating, procuring, effectuating, purchasing, investing, financing, monitoring, tracking, underwriting, selling, transferring, assigning, pledging, hypothecating or in any other manner acquiring an interest in a life insurance policy by means of a viatical settlement contract.

Viaticated policy means a life insurance policy or certificate that has been acquired by a viatical settlement provider pursuant to a viatical settlement contract.

Viator means the owner of a life insurance policy (or a certificate holder under a group policy) who enters or seeks to enter into a viatical settlement contract. A viator is not limited to an owner of a life insurance policy or a certificate holder under a group policy insuring the life of an individual with a terminal or chronic illness or condition except as specifically addressed.

Chronically ill means being unable to perform at least two activities of daily living, such as eating, toileting, transferring, bathing, dressing, or continence, or conditions requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.

Terminally ill means having an illness or sickness that can reasonably be expected to result in death in 24 months or less.

Viatical settlement provider means a person, other than a viator, that enters into or effectuates (makes effective) a viatical settlement contract with a viator resident in this state.

Viatical settlement broker means a person who on behalf of a viator and for a fee, commission, or other valuable consideration, negotiates viatical settlement contracts between a viator and one or more viatical settlement providers.

Viatical settlement purchaser means

- A person who gives a sum of money as consideration for a life insurance policy or an interest in the death benefits of a life insurance policy; or
- A person who owns or acquires or is entitled to a beneficial interest in a trust, that owns a viatical settlement contract or is the beneficiary of a life insurance policy that has been or will be the subject of a viatical settlement contract, for the purpose of deriving an economic benefit.

Viatical settlement contract means a written agreement entered into between a viatical settlement provider and a viator. The viatical settlement contract includes an **agreement to transfer ownership or change the beneficiary designation of a life insurance policy** at a later date, regardless of the date that compensation is paid to the viator. The agreement must establish the terms under which the viatical settlement provider will pay compensation in return for the viator's assignment, transfer, sale, devise, or bequest of the death benefit or ownership to the viatical settlement provider.

HEALTH:

Step Therapy Protocol – *new section on the outline*

Step therapy protocol means a protocol or program that establishes a specific sequence in which prescription drugs for a specified medical condition that are medically appropriate for a particular patient are covered by a health insurance plan.

Any health insurance plan issued or delivered in this state that utilizes a step therapy protocol, a health carrier must use recognized, evidence-based and peer-reviewed clinical practice guidelines when establishing any step therapy protocol. Any health

insurance plan that restricts coverage of a prescription drug for the treatment of any medical condition per a step therapy protocol, the health insurance plan provider must provide to the prescribing healthcare provider and patient access to a clear, convenient, and readily accessible process to request a step therapy exception.

If the prescriber believes that it is medically necessary for the insured to be on a particular drug even though the insured does not meet the prior authorization criteria, the insured and the prescriber can contact the plan to request an **exception**. The prescriber must respond to a request for a step therapy exception within 72 hours of receipt. If the request is approved, the plan will cover the particular drug, even without prior authorization for the drug, or without trying a less expensive drug first.

Short-Term Limited-Duration Insurance – *new section on the outline*

Short-term limited-duration insurance (STLDI) is designed to fill in the gaps in coverage that may occur when an individual is transitioning from one plan or coverage to another, such as an individual who is between jobs.

Federal regulations limit the duration of short-term health insurance to an initial period of **less than 12 months**, and, taking into account any extensions, a maximum duration of no **longer than 36 months** in total. It is typically purchased on a month-to-month basis so that it may be easily canceled. While short-term policies are not renewable, the insured may apply for one additional policy that counts as a continuation of the first one. If the insured filed claims under the first policy, the insurer may deny such an application. If a new policy is offered, it may not cover injuries or illnesses that occurred during the previous policy. Applicants generally must be under the age of 65 and meet certain physical requirements, such as an acceptable height and weight. Individual who are covered under another policy should not buy short-term limited-duration insurance.

STLDI plans are generally not required to comply with Affordable Care Act provisions that apply to individual health coverage plans; therefore, they cannot be sold on the Marketplace and are not considered to be Marketplace coverage.