BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

FILED

JUN 02 2026

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. GLEN MULREADY, Insurance Commissioner,	)	
Petitioner,	)	
v.	)	Case No. 26-0093-SOL
OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN, a licensed interlocal in the State of Oklahoma,	)	
Respondent.	)	

NOTICE OF HAZARDOUS CONDITION AND ORDER

COMES NOW the State of Oklahoma, ex rel. Glen Mulready, Insurance Commissioner, and makes the following Findings of Fact, Conclusions of Law, and Orders:

JURISDICTION

1. Glen Mulready is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 *et seq*.

2. Oklahoma Public Employees Health & Welfare Plan ("Respondent") is a licensed interlocal in the State of Oklahoma pursuant to SBS Company Number 525092821. Respondent's address of record is 3851-C E Tuxedo Blvd., Bartlesville, OK 74006.

3. The Insurance Commissioner has jurisdiction over this matter pursuant to 36 O.S. § 607.1.

FINDINGS OF FACT

4. Pursuant to 36 O.S. § 607.1(G), the Insurance Commissioner, shall, if there is substantial reason to believe that an interlocal (1) is insolvent, (2) is in a condition such as to render

the continuation of its business hazardous to the public or to holders of its policies or certificates of insurance, (3) has failed to comply with the law, or (4) has given its consent, do the following:

a) Notify the interlocal and its participating members of the Commissioner's determination; and

b) Require the interlocal to file a written plan of action to abate the determination.

5. The Insurance Commissioner finds Respondent had an unrestricted net position of **negative $543,653** and net loss of **negative $4,529,315** at year end 2025.

6. The participating members of Respondent are listed in Exhibit A of this order.

CONCLUSIONS OF LAW

7. There is substantial reason to believe that Respondent is insolvent.

8. There is substantial reason to believe that Respondent is in a condition such as to render the continued operation of its business hazardous to the public or to holders of its policies or certificates of insurance.

9. Pursuant to 36 O.S. § 607.1(G)(1), the Insurance Commissioner shall notify the Respondent and its participating members of the Insurance Commissioner's determination.

10. Pursuant to 36 O.S. § 607.1(G)(2), the Insurance Commissioner requires the Respondent to file with the Insurance Commissioner a written plan of action to abate the Insurance Commissioner's determination within thirty (30) days of receipt of this order.

11. Failure to comply with these requirements may result in an appointment by the Insurance Commissioner of a supervisor or any other appropriate administrative or judicial remedy.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED by the Insurance Commissioner, pursuant to 36 O.S. § 607.1(g), determines that Respondent is hereby placed on notice of its insolvency or hazardous condition.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED by the Insurance Commissioner that Respondent shall:

a) File a written plan of action to abate the Insurance Commissioner's determination and that such plan shall be filed with the Insurance Commissioner within thirty (30) days of Respondent's receipt of this order;

b) File monthly financial statements with the Oklahoma Insurance Department, due by the 15th day of the following month; and

c) Attend a monthly meeting with the Oklahoma Insurance Department to answer questions related to the above requirements and any other questions that the Insurance Commissioner may deem necessary. The meetings shall occur no later than the last day of the month, unless the Department authorizes an extension in writing. The meetings shall continue until this determination is abated or when the Insurance Commissioner determines that the monthly meeting is no longer necessary, but abatement has not yet been met. The meetings may be decreased to quarterly at the Insurance Commissioner's discretion. The Insurance Commissioner may require these meetings to be in person.

The Insurance Commissioner may amend this order to incorporate additional actions if the Insurance Commissioner determines that those additional actions are necessary.

This Order does not change or remove any requirements under the Oklahoma Insurance Code.

WITNESS My Hand and Official Seal this 2nd day of June, 2026.

State of Oklahoma
Oklahoma Insurance Department

GLEN MULREADY
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Teresa L. Green, hereby certify that a true and correct copy of the above and foregoing *Notice of Hazardous Condition and Order* was sent to Respondent, as addressed below, by certified mail with postage prepaid and return receipt requested on this 2nd day of June, 2026, to:

Oklahoma Public Employes Health & Welfare Plan
3851-C E Tuxedo Blvd
Bartlesville, OK 74006

CERTIFIED MAIL NO. ***9589 0710 5270 4100 3938 92***

and that a copy was delivered to:

Regulated Industry Services Division
Oklahoma Insurance Department

Financial Division
Oklahoma Insurance Department

Teresa L. Green

Exhibit A

ACCO
Arnett Schools
Atoka County
Atoka County - RWD #2
Beaver County
Beaver, Town of
Bethany, City of
Boise City Schools
Bryan County
Buffalo, Town of
Burns Flat, Town of
Carter, Town of
Carlton Landing
CED 3
CED 4
CED 6
CED 7
CED 8
Chattanooga, Town of
Cherokee County
Cherokee County Jail
Choctaw County
Cimarron Co.
Coal County
Craig Co.
Custer, City of
Davenport, Town of
Depew, Town of
Dewey, City of
Duncan, City of
Ellis County
Eufala, City of
Fargo Public Schools
Forest Park, Town of
Garfield County
Garfield Fairgrounds
Goldsby, Town of
Goodwell, Town of
Gore, Town of
Grady County

Grady County - Fairgrounds
Grant County
Greer County
Greer County Sp Ambulance
Hammon, Town of
Harper County
Johnston County
Johnston County - EMS
Kingfisher, City of
Kingfisher County
Leedy, Town of
Lincoln County
Maud, City of
McCurtain County
McCurtain County - E911
McCurtain County - RWD #1
McCurtain County - RWD #6
McCurtain County - RWD #8
McElroy
Medford, City of
Morris, Town of
Ninnekah, Town of
NODA
NOSWDA
OEDA
Okay, Town of
OMAG
OMMS
OMRF
OMUSA
Pawnee County
Pond Creek, City of
Pontotoc County
Prague, City of
Purcell Municipal Hospital
Purcell, City of
Pushmataha County
Roger Mills County - RWD #2
Roger Mills Hospital
Rogers County - IDA
Sayre, City of

Seminole, City of
Seminole County
Slaughterville, Town of
Stroud, City of
SWODA
Talihina, Town of
Texas County
Texas County 911
Tipton, Town of
Velma, Town of
Vinita, City of
Vici Public Schools
The Village
Warr Acres, City of
Washington County
Washington, Town of
Wewoka, City of
Walters, City of
Wilburton, City of
Wilburton Public Works

Events Timeline

AUG 2024	• Claims increased significantly starting August–September 2024 and remained elevated for 10 months (longer than the typical 2–3 months).
MAR 2025	• Utilized remaining $1m line of credit available.
APR 2025	• Changed premium timing for employee portion to be received earlier for the same month of coverage.
JUL 2025	• 5.5% rate increase comes into force. • Switched to the Advantage network to reduce claims costs by 15–17%.
DEC 2025	• 2024/2025 plan year audit results received.
JAN 2026	• $5M Special Assessment. • Script Sourcing Initiative Roll-Out Begins, $5M projected annualized savings. • Over 65 Active Spouses Initiative Roll-Out Begins. • Virta – Type II Diabetes Reversal Initiative Roll-Out Begins. Savings from these initiatives have not been considered in the actuarial rate setting.
JUL 2026	• 9.9% rate increase comes into force. • Loss of high-risk, consistently high-claims groups.

Primary Cost Drivers

- Cancer diagnoses rose to 2.5× normal levels (linked to delayed care post-COVID).
- Air ambulance usage increased significantly (now 2–4 flights per month; 4.5% of claims).

Trend & Rate Determination

- The Health Plan must plan and prepare for expected inflationary increases in claims costs.
- Projected PPO trends at the 25th percentile (according to 1/18/26 Actuary Study):

Plan Year	Med.	Rx
2026/27	**7.7**%	**6.8**%
2025/26	**6.5**%	**11.2**%
2024/25	**8.3**%	**3.2**%

National & Insurance Industry-Wide Impacts

- Higher-than-expected increased claims costs are widespread.
- Small group premiums in Oklahoma increased ~16% on average for January 2026.
- Key Drivers:
  - Economic and policy factors (domestic and international)
  - Post-COVID deferred care impacts