

AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1963
Page 1 Section _____ Lines 1/2
Of the printed Bill
Of the Engrossed Bill

By inserting new Sections 1, 2, 3, 4 and 5 to read as follows:

"(INSERT ATTACHED)"; and

By renumbering subsequent sections

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Ron Peterson

Reading Clerk

1 "SECTION 1. AMENDATORY 36 O.S. 2001, Section 4101, as
2 amended by Section 15, Chapter 129, O.S.L. 2005 (36 O.S. Supp. 2006,
3 Section 4101), is amended to read as follows:

4 Section 4101. No policy of group life insurance shall be
5 delivered in this state unless it conforms to one of the following
6 descriptions:

7 1. A policy issued to an employer, or to the trustees of a fund
8 established by an employer, which employer or trustees shall be
9 deemed the policyholder, to insure employees of the employer for the
10 benefit of persons other than the employer, subject to the following
11 requirements:

12 a. The employees eligible for insurance under the policy
13 shall be all of the employees of the employer, or all
14 of any class or classes thereof determined by
15 conditions pertaining to their employment. The policy
16 may provide that the term "employees" shall include
17 the employees of one or more subsidiary corporations,
18 and the employees, individual proprietors and partners
19 of one or more affiliated corporations, proprietors or
20 partnerships if the business of the employer and of
21 such affiliated corporations, proprietors or
22 partnerships is under common control through stock
23 ownership or contract, or otherwise. The policy may
24 provide that the term "employees" shall include the

1 individual proprietor or partners if the employer is
2 an individual proprietor or a partnership. The policy
3 may provide that the term "employees" shall include
4 retired employees. No director of a corporate
5 employer shall be eligible for insurance under the
6 policy unless such a person is otherwise eligible as a
7 bona fide employee of the corporation by performing
8 services other than the usual duties of a director.
9 No individual proprietor or partner shall be eligible
10 for insurance under the policy unless he is actively
11 engaged in and devotes a substantial part of his time
12 to the conduct of the business of the proprietor or
13 partnership. The policy may provide that the term
14 "employees" shall include the trustees or their
15 employees, or both, if their duties are principally
16 connected with such trusteeship. A policy issued to
17 insure the employees of a public body may provide that
18 the term "employee" shall include elected or appointed
19 officials.

- 20 b. The premium for the policy shall be paid by the
21 policyholder, either wholly from the employer's funds
22 or funds contributed by him, or partly from such funds
23 and partly from funds contributed by the insured
24 employees, or from funds contributed wholly by the

1 insured employees. ~~A policy on which part or all of~~
2 ~~the premium is to be derived from funds contributed by~~
3 ~~the insured employees may be placed in force only if~~
4 ~~at least seventy five percent (75%) of the then~~
5 ~~eligible employees, excluding any as to whom evidence~~
6 ~~of individual insurability is not satisfactory to the~~
7 ~~insurer, elect to make the required contributions. A~~
8 policy on which no part of the premium is to be
9 derived from funds contributed by the insured
10 employees must insure all eligible employees, or all
11 except any as to whom evidence of insurability is not
12 satisfactory to the insurer.

13 c. The amounts of insurance under the policy must be
14 based upon some plan precluding individual selection
15 either by the employees or by the employer or trustee;

16 2. A policy issued to a creditor, who shall be deemed to be the
17 policyholder, to insure debtors of the creditor. Credit unions and
18 associations formed for the purpose of making loans to their members
19 shall be deemed to be creditors within the meaning of this section.
20 Policies issued to a creditor to insure debtors of the creditor are
21 subject to the following requirements:

22 a. The debtors eligible for insurance under the policy
23 shall be all of the debtors of the creditor or all of
24 any class or classes thereof determined by conditions

1 pertaining to the indebtedness or to the purchase
2 giving rise to the indebtedness. The policy may
3 provide that the term "debtors" shall include the
4 debtors of one or more subsidiary corporations, and
5 the debtors of one or more affiliated corporations,
6 proprietors or partnerships if the business of the
7 policyholder and of such affiliated corporations,
8 proprietors or partnerships is under common control
9 through stock ownership, contract or otherwise.

10 b. The premium for the policy shall be paid by the
11 policyholder, either from the creditor's funds, or
12 from charges collected from the insured debtors, or
13 from both. A policy on which part or all of the
14 premium is to be derived from the collection from the
15 insured debtors of identifiable charges not required
16 of uninsured debtors shall not include, in the class
17 or classes of debtors eligible for insurance, debtors
18 under obligation outstanding at its date of issue
19 without evidence of individual insurability unless at
20 least seventy-five percent (75%) of the then eligible
21 debtors elect to pay the required charges. A policy
22 on which no part of the premium is to be derived from
23 the collection of such identifiable charges must
24 insure all eligible debtors, or all except any as to

1 whom evidence of individual insurability is not
2 satisfactory to the insurer.

3 c. The policy may be issued only if the group of eligible
4 debtors is then receiving new entrants at the rate of
5 at least one hundred persons yearly, or may reasonably
6 be expected to receive at least one hundred new
7 entrants during the first policy year, and only if the
8 policy reserves to the insurer the right to require
9 evidence of individual insurability if less than
10 seventy-five percent (75%) of the new entrants become
11 insured.

12 d. The amount of insurance on the life of any debtor
13 shall at no time exceed the amount owed by him which
14 is repayable to the creditor, or One Hundred Thousand
15 Dollars (\$100,000.00), whichever is less, provided
16 further, no company licensed to do business in this
17 state shall issue in excess of One Hundred Thousand
18 Dollars (\$100,000.00) group credit life insurance on
19 one individual in the State of Oklahoma.

20 e. The insurance shall be payable to the policyholder.
21 Such payment shall reduce or extinguish the unpaid
22 indebtedness of the debtor to the extent of such
23 payment;

24

1 3. A policy issued to a labor union, which shall be deemed the
2 policyholder, to insure members of such union for the benefit of
3 persons other than the union or any of its officials,
4 representatives or agents, subject to the following requirements:

5 a. The members eligible for insurance under the policy
6 shall be all of the members of the union, or all of
7 any class or classes thereof determined by conditions
8 pertaining to their employment, or to membership in
9 the union, or both.

10 b. The premium for the policy shall be paid by the
11 policyholder, either wholly from the union's funds, or
12 partly from such funds and partly from funds
13 contributed by the insured members specifically for
14 their insurance, or from funds contributed wholly by
15 the insured members. ~~A policy on which part or all of~~
16 ~~the premium is to be derived from funds contributed by~~
17 ~~the insured members specifically for their insurance~~
18 ~~may be placed in force only if at least seventy five~~
19 ~~percent (75%) of the then eligible members, excluding~~
20 ~~any as to whom evidence of individual insurability is~~
21 ~~not satisfactory to the insurer, elect to make the~~
22 ~~required contributions.~~ A policy on which no part of
23 the premium is to be derived from funds contributed by
24 the insured members specifically for their insurance

1 must insure all eligible members or all except any as
2 to whom evidence of individual insurability is not
3 satisfactory to the insurer.

4 c. ~~The policy must cover at least ten members at date of~~
5 ~~issue.~~

6 ~~d.~~ The amount of insurance under the policy must be based
7 upon some plan precluding individual selection either
8 by the members or by the union;

9 4. A policy issued to the trustees of a fund established in
10 this state by two or more employers in the same industry, provided a
11 majority of the employees to be insured of each employer are located
12 within this state, or to the trustees of a fund established by one
13 or more labor unions, or by one or more employers in the same
14 industry and one or more labor unions or by one or more employers
15 and one or more labor unions whose members are in the same or
16 related occupation or trades, or by an association of persons,
17 licensed by the State of Oklahoma to engage in a recognized
18 profession, which trustees shall be deemed the policyholder to
19 insure employees of the employers or members of the unions or
20 members of an association of persons, licensed by the State of
21 Oklahoma to engage in a recognized profession, for the benefit of
22 persons other than the employers or the unions, or the association
23 of persons, licensed by the State of Oklahoma to engage in a
24 recognized profession, subject to the following requirements:

1 a. The persons eligible for insurance shall be all of the
2 employees of the employers or all of the members of
3 the union, or all the members of an association of
4 persons, licensed by the State of Oklahoma to engage
5 in a recognized profession, or all of any class or
6 classes thereof determined by conditions pertaining to
7 their employment, or to membership in the unions, or
8 to both, or pertaining to membership in the
9 association of persons, licensed by the State of
10 Oklahoma to engage in a recognized profession. The
11 policy may provide that the term "employees" shall
12 include the individual proprietor or partners if any
13 employer is an individual proprietor or a partnership.
14 The policy may provide that the term "employees" shall
15 include retired employees. No director of a corporate
16 employer shall be eligible for insurance under the
17 policy unless such person is otherwise eligible as a
18 bona fide employee of the corporation by performing
19 services other than the usual duties of a director.
20 No individual proprietor or a partner shall be
21 eligible for insurance under the policy unless he is
22 actively engaged in and devotes a substantial part of
23 his time to the conduct of the business of the
24 proprietor or partnership. The policy may provide

1 that the term "employees" shall include the trustees
2 or their employees, or both if their duties are
3 principally connected with such trusteeship, and that
4 the term "members of an association" shall include
5 employees of members.

6 b. The premium for the policy shall be paid by the
7 trustees wholly from funds contributed by the employer
8 or employers of the insured persons, or by the union
9 or unions, or by both, or by an association of
10 persons, licensed by the State of Oklahoma to engage
11 in a recognized profession, or from funds contributed
12 wholly or in part by the insured persons. ~~A policy on
13 which part of the premium is to be derived from funds
14 contributed by the insured persons specifically for
15 their insurance may be placed in force only if at
16 least seventy five percent (75%) of the then eligible
17 persons, excluding any as to whom evidence of
18 insurability is not satisfactory to the insurer, elect
19 to make the required contributions. A policy issued
20 to the trustees of a fund established by an
21 association of persons, licensed by the State of
22 Oklahoma to engage in a recognized profession, on
23 which part or all the premium is to be derived from
24 funds contributed by the insured persons specifically~~

1 ~~for their insurance, may be placed in force only if~~
2 ~~the total number of persons covered at the date of~~
3 ~~issue exceeds six hundred or seventy five percent~~
4 ~~(75%) of the eligible persons, whichever is less,~~
5 ~~excluding any as to whom evidence of insurability is~~
6 ~~not satisfactory to the insurer, elect to make the~~
7 ~~required contribution. A policy on which no part of~~
8 the premium is to be derived from funds contributed by
9 the insured persons specifically for their insurance
10 must insure all eligible persons, or all except any as
11 to whom evidence of individual insurability is not
12 satisfactory to the insurer.

13 c. The policy must cover at date of issue at least one
14 hundred persons; and if the fund is established by the
15 members of an association of employers the policy may
16 be issued only if (a) either (i) the participating
17 employers constitute at date of issue at least sixty
18 percent (60%) of those employer members whose
19 employees are not already covered by group life
20 insurance or (ii) the total number of persons covered
21 at date of issue exceeds six hundred; and (b) the
22 policy shall not require that if a participating
23 employer discontinues membership in the association,
24

1 the insurance of his employees shall cease solely by
2 reason of such discontinuance.

3 d. The amounts of insurance under the policy must be
4 based upon some plan precluding individual selection
5 either by the insured persons or by the policyholder,
6 employers, or unions;

7 5. A policy issued to any nonprofit industrial association to
8 insure the executives of employer members of a nonprofit industrial
9 association, which is now and has been actively functioning for a
10 period of not less than ten (10) years, such policy to be issued to
11 such association which shall be deemed to be the employer for the
12 purposes of this article, or to the association and executives of
13 such employer members jointly and insuring only all of such
14 executives for amounts of insurance based upon some plan which will
15 preclude individual selection, for the benefit of persons other than
16 such association, and the premium on which shall be paid by the
17 employer members or the employer members and the executives of such
18 employer members jointly;

19 6. A policy issued to a credit union which shall be deemed the
20 policyholder, to insure eligible members for the benefit of someone
21 other than the credit union or its officials and subject to the
22 following requirements:
23
24

1 a. The members eligible for insurance under the policy
2 shall be all the members of the credit union or all of
3 any class or classes thereof.

4 b. The premiums for the policy shall be paid by the
5 policyholder, either wholly from the credit union's
6 funds, or partly from such funds and partly from funds
7 contributed by the insured members specifically for
8 their insurance. A policy on which no part of the
9 premium is to be derived from funds contributed by the
10 insured members specifically for their insurance must
11 insure all eligible members or all except any as to
12 whom evidence of individual insurability is not
13 satisfactory to the insurer.

14 c. The amount of insurance under the policy may be based
15 on the amount of the member's savings in the credit
16 union or upon some other plan precluding individual
17 selection either by the members or by the credit
18 union;

19 7. A policy issued to a charitable, benevolent, educational or
20 religious institution, or their agencies, to insure the members
21 thereof for the purpose set forth in subsection D of Section 3604 of
22 this title;

23 8. A policy issued to an alumni association of an institution
24 of higher education accredited by the Oklahoma State Regents for

1 Higher Education, to insure the members thereof for the purpose set
2 forth in subsection E of Section 3604 of this title;

3 9. A policy to an association, which has a constitution and
4 bylaws and which has been organized and is maintained in good faith
5 for purposes other than that of obtaining insurance, that insures at
6 least ten members, employees, or employees of members of the
7 association or its officers or trustees. The term "employees" as
8 used in this paragraph shall include retired employees.

9 "Association" means, with respect to life insurance coverage
10 offered, an association which:

- 11 a. has been actively in existence for at least five (5)
12 years,
- 13 b. has been formed and maintained in good faith for
14 purposes other than obtaining insurance,
- 15 c. does not condition membership in the association on
16 any health status-related factor relating to an
17 individual, including an employee of an employer or a
18 dependent of an employee or association member,
- 19 d. makes life insurance coverage offered through the
20 association available to all members regardless of any
21 health status-related factor relating to such member
22 or individuals eligible for coverage through a member,

23

24

1 e. does not make life insurance coverage offered through
2 the association available other than in connection
3 with a member of the association, and

4 f. meets such additional requirements as may be imposed
5 under state law;

6 10. A policy issued to cover any other group subject to the
7 following requirements:

8 a. no such group life insurance policy shall be delivered
9 in this state unless the Commissioner of Insurance
10 finds that:

11 (1) the issuance of such group policy is not contrary
12 to the best interest of the public,

13 (2) the issuance of the group policy would result in
14 economies of acquisition or administration, and

15 (3) the benefits are reasonable in relation to the
16 premiums charged, and

17 b. the premium for the policy shall be paid either from
18 the policyholder's funds or from funds contributed by
19 the covered person or from both; or

20 11. A policy issued to cover any other substantially similar
21 group which, in the discretion of the Insurance Commissioner, may be
22 subject to the issuance of a group life policy or contract.

23 SECTION 2. AMENDATORY 36 O.S. 2001, Section 4101.1, is
24 amended to read as follows:

1 Section 4101.1 A. Insurance under any group life insurance
2 policy issued pursuant to subsections A, C, and D, of Section 4101
3 of this title, may ~~if seventy-five percent (75%) of the then insured~~
4 ~~employees or members who then have eligible dependents elect,~~ be
5 extended to insure the dependents, or any class or classes thereof,
6 of each insured employee or member who so elects in amounts in
7 accordance with a plan which precludes individual selection ~~and for~~
8 ~~each insured dependent shall not be in excess of fifty percent (50%)~~
9 ~~of the insurance on the life of such employee or member.~~ The term
10 "dependent" is the spouse of the insured employee or member and an
11 insured employee's or member's child under twenty-one (21) years of
12 age or his or her child twenty-one (21) years or older who is
13 attending an educational institution and relying upon the insured
14 employee or member for financial support.

15 B. Premiums for the insurance on such dependents shall be paid
16 by the policyholder either wholly from policyholder's funds, or from
17 funds contributed wholly by the employees or members, or partly from
18 funds contributed by the policyholder and partly by the employees or
19 members.

20 C. A dependent pursuant to this section shall have the same
21 conversion right as to the insurance on his or her life as is vested
22 in the employee or union member.

23 D. Notwithstanding the provisions of paragraph 7 of Section
24 4103 of this title, only one certificate need be issued for each

1 family unit if a statement concerning any dependent's coverage is
2 included in such certificate.

3 SECTION 3. AMENDATORY 36 O.S. 2001, Section 6202, is
4 amended to read as follows:

5 Section 6202. Terms used in the Insurance Adjusters Licensing
6 Act are defined as follows:

7 1. "Commissioner" means the Insurance Commissioner of the state
8 or his or her lawfully authorized representative;

9 2. "Adjuster" means either an insurance adjuster or a public
10 adjuster;

11 3. "Insurance adjuster" means any person, firm, association,
12 company, or legal entity that acts in this state for an insurer, and
13 that investigates claims, adjusts losses, negotiates claim
14 settlements, or performs incidental duties arising pursuant to the
15 provisions of insurance contracts on behalf of an insurer and
16 includes:

17 a. "independent adjusters", meaning any insurance
18 adjuster that suggests or presents to the insurance
19 industry and public that said adjuster acts as an
20 adjuster for a fee or other compensation, and

21 b. "company or staff adjusters", meaning adjusters who
22 engage in the investigation, adjustment, and
23 negotiation of claims as salaried employees of an
24 insurer;

1 4. "Public adjuster" means any person, firm, association,
2 company, or corporation that suggests or presents to members of the
3 public that said public adjuster represents the interests of an
4 insured or third party for a fee or compensation. Public adjusters
5 may investigate claims and negotiate losses to property only; ~~and~~

6 5. "Insurer" means any authorized insurance company,
7 corporation, reciprocal group, mutual group, underwriting
8 association or bureau, or any combination thereof, writing or
9 underwriting any insurance contracts; and

10 6. "Home state" means the District of Columbia and any state or
11 territory of the United States in which the adjuster's principal
12 place of residence or principal place of business is located. If
13 neither the state in which the adjuster maintains the principal
14 place of residence nor the state in which the adjuster maintains the
15 principal place of business has a licensing or examination
16 requirement, the adjuster may declare another state which has an
17 examination requirement and in which the adjuster is licensed to be
18 the "home state".

19 SECTION 4. AMENDATORY 36 O.S. 2001, Section 6205, is
20 amended to read as follows:

21 Section 6205. A. Application for a license as an adjuster
22 shall be made to the Insurance Commissioner upon forms prescribed
23 and furnished by the Commissioner. As a part of and in connection
24 with the application, the applicant shall furnish such information

1 concerning the applicant's identity, personal history, business
2 experience, business record and such other pertinent information
3 which the Commissioner shall reasonably require.

4 ~~B. Application for a license as a nonresident adjuster shall be~~
5 ~~made to the Commissioner upon forms prescribed and furnished by the~~
6 ~~Commissioner. This license shall be issued to an applicant only if~~
7 ~~the state in which the applicant resides will accord the same~~
8 ~~privilege to a resident adjuster of this state. The Commissioner is~~
9 ~~authorized to enter into reciprocal agreements with the appropriate~~
10 ~~official of any state requiring a nonresident applicant for license~~
11 ~~as an adjuster to take an examination. Any such reciprocal~~
12 ~~agreement shall provide that:~~

13 ~~1. An applicant for a license as an adjuster in such other~~
14 ~~state shall take an examination as prescribed by that state;~~

15 ~~2. The applicant for a license as a nonresident adjuster in~~
16 ~~this state holds a valid license as an adjuster in such other state~~
17 ~~as certified by the appropriate official of that state;~~

18 ~~3. A resident of this state is privileged to procure an~~
19 ~~adjuster's license in such other state upon the conditions provided~~
20 ~~in paragraphs 1 and 2 of this subsection without discrimination in~~
21 ~~favor of the residents of such other state as to fees or other~~
22 ~~licensing requirements; and~~

23 ~~4. The nonresident applicant shall pay the fee required for a~~
24 ~~license as a resident adjuster in this state. Unless denied~~

1 licensure pursuant to Section 6220 of this title, a nonresident
2 applicant shall receive a nonresident adjuster license if:

3 1. The applicant has passed an examination in the applicant's
4 home state;

5 2. The applicant is currently licensed and in good standing in
6 the home state of the applicant;

7 3. The applicant has submitted the proper request for licensure
8 and has paid the fees required by Section 6212 of this title; and

9 4. The applicant's home state awards nonresident adjuster
10 licenses to residents of this state on the same basis.

11 C. If a nonresident applicant's home state does not license or
12 require an examination for an adjuster license, the applicant shall
13 pass an examination in this state prior to receiving a nonresident
14 adjuster license.

15 SECTION 5. AMENDATORY 36 O.S. 2001, Section 6208, is
16 amended to read as follows:

17 Section 6208. A. Each applicant for a license as an adjuster
18 shall, prior to issuance of said license, personally take and pass,
19 to the satisfaction of the Commissioner, an examination given by the
20 Commissioner as a test of the qualifications and competency of the
21 applicant.

22 B. The requirement of an examination shall not apply to the
23 following:
24

1 1. An applicant who is licensed as an adjuster in this state
2 during the ninety-day period preceding November 1, 1983; or

3 ~~2. An applicant who is licensed as an adjuster, as defined by~~
4 ~~the provisions of the Insurance Adjusters Licensing Act, in another~~
5 ~~state with which state a reciprocal agreement has been executed by~~
6 ~~the Commissioner~~ A nonresident applicant who has passed an
7 examination in the home state of the applicant and who is currently
8 licensed and in good standing in the applicant's home state; or

9 3. Any applicant for a license covering the same class or
10 classes of insurance for which the applicant was licensed in this
11 state pursuant to a similar license during the twenty-four-month
12 period immediately preceding the date of application, unless said
13 previous license was revoked or suspended, or continuation of the
14 license was refused by the Commissioner; or

15 4. An applicant for a resident license who has passed an
16 examination in the former home state and who is licensed and in good
17 standing in the former home state at the time the application is
18 submitted. The applicant shall make application to become a
19 resident adjuster within ninety (90) days after establishing legal
20 residence in Oklahoma."

21

22 51-1-9001 MAH 03/08/07

23

24