

THE HOUSE OF REPRESENTATIVES  
Thursday, February 12, 2009

House Bill No. 1770

HOUSE BILL NO. 1770 - By: ROAN of the House and PADDACK of the Senate.

An Act relating to insurance; amending 36 O.S. 2001, Section 1435.20, as last amended by Section 12, Chapter 184, O.S.L. 2008 (36 O.S. Supp. 2008, Section 1435.20), which relates to limited lines producers; providing for prepaid funeral benefits as a category for which a limited lines producer may receive license qualification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 36 O.S. 2001, Section 1435.20, as last amended  
2 by Section 12, Chapter 184, O.S.L. 2008 (36 O.S. Supp. 2008, Section 1435.20), is  
3 amended to read as follows:

4 Section 1435.20 A. A limited lines producer may receive qualification for a license  
5 in one or more of the following categories:

6 1. Prepaid legal liability insurance, which means the assumption of an enforceable  
7 contractual obligation to provide specified legal services or to reimburse policyholders for  
8 specified legal expenses, pursuant to the provisions of a group or individual policy;

9 2. Crop - insurance providing protection against damage to crops from unfavorable  
10 weather conditions, fire or lightning, flood, hail, insect infestation, disease or other yield-  
11 reducing conditions or perils provided by the private insurance market, or that is

1 subsidized by the Federal Crop Insurance Corporation, including Multi-Peril Crop  
2 Insurance;

3 3. Car rental - insurance offered, sold or solicited in connection with and incidental  
4 to the rental of rental cars for a period of two (2) years, whether at the rental office or by  
5 preselection of coverage in master, corporate, group or individual agreements that:

6 a. is nontransferable,

7 b. applies only to the rental car that is the subject of the rental  
8 agreement, and

9 c. is limited to the following kinds of insurance:

10 (1) personal accident insurance for renters and other rental car  
11 occupants, for accidental death or dismemberment, and for  
12 medical expenses resulting from an accident that occurs with  
13 the rental car during the rental period,

14 (2) liability insurance that provides protection to the renters and  
15 other authorized drivers of a rental car for liability arising from  
16 the operation or use of the rental car during the rental period,

17 (3) personal effects insurance that provides coverage to renters and  
18 other vehicle occupants for loss of, or damage to, personal effects  
19 in the rental car during the rental period,

20 (4) roadside assistance and emergency sickness protection  
21 insurance, or

22 (5) any other coverage designated by the Insurance Commissioner;

1 4. Credit - credit life, credit disability, credit property, credit unemployment,  
2 involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability,  
3 guaranteed automobile protection insurance, or any other form of insurance offered in  
4 connection with an extension of credit that is limited to partially or wholly extinguishing  
5 that credit obligation and that is designated by the Insurance Commissioner as limited  
6 line credit insurance;

7 5. Surety - insurance or bond that covers obligations to pay the debts of, or answer  
8 for the default of another, including faithlessness in a position of public or private trust.  
9 For ~~purpose~~ purposes of limited line licensing, surety does not include surety bail bonds;  
10 and

11 6. Travel - insurance coverage for trip cancellation, trip interruption, baggage, life,  
12 sickness and accident, disability, and personal effects when limited to a specific trip and  
13 sold in connection with transportation provided by a common carrier; and

14 7. Prepaid funeral benefits – insurance contracts providing funding to cover the  
15 cost of funeral services or funeral service merchandise offered, sold or solicited by funeral  
16 establishments pursuant to Section 6125.2 of this title that do not exceed the dollar  
17 amount provided for in Section 6125.1 of this title.

18 B. 1. An insurance producer or limited lines producer may solicit applications for  
19 and issue travel accident policies or baggage insurance by means of mechanical vending  
20 machines supervised by the insurance producer or limited lines producer only if the  
21 Insurance Commissioner shall determine that the form of policy to be sold is reasonably  
22 suited for sale and issuance through vending machines, that use of vending machines for

1 the sale of ~~said~~ the policies would be of convenience to the public, and that the type of  
2 vending machine to be used is reasonably suitable and practical for the sale and issuance  
3 of ~~said~~ the policies. Policies so sold do not have to be countersigned.

4 2. The Commissioner shall issue to the insurance agent or limited insurance  
5 representative a special vending machine license for each ~~such~~ machine to be used. The  
6 license shall specify the name and address of the insurer and licensee, the kind of  
7 insurance and type of policy to be sold, and the place where the machine is to be in  
8 operation. The license shall expire, be renewable, and be suspended or revoked  
9 coincidentally with the insurance agent license or limited representative license of the  
10 licensee. The license fee for each vending machine shall be that stated in the provisions  
11 of Section 1435.23 of this title. Proof of existence of the license shall be displayed on or  
12 about each machine in ~~such~~ a manner as the Commissioner may reasonably require.

13 SECTION 2. This act shall become effective November 1, 2009.

14 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
15 FINANCIAL SERVICES, dated 02-11-09 - DO PASS, As Coauthored.

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.