

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1614

By: Sullivan

4
5 AS INTRODUCED

6 An Act relating to insurance; amending 36 O.S. 2001,
7 Section 1435.7, as last amended by Section 10,
8 Chapter 184, O.S.L. 2008 and Section 11, Chapter 125,
9 O.S.L. 2007 (36 O.S. Supp. 2008, Sections 1435.7 and
10 1435.7A), which relate to resident insurance producer
11 licenses; specifying requirements related to certain
12 training; allowing sponsor to supervise certain
13 number of provisional licensees; specifying
14 conditions in which a provisional licensee may
15 receive compensation for an insurance transaction;
16 and providing an effective date.

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

18 SECTION 1. AMENDATORY 36 O.S. 2001, Section 1435.7, as
19 last amended by Section 10, Chapter 184, O.S.L. 2008 (36 O.S. Supp.
20 2008, Section 1435.7), is amended to read as follows:

21 Section 1435.7 A. A person applying for a resident insurance
22 producer license shall make application to the Insurance
23 Commissioner on the Uniform Application or an application approved
24 by the Commissioner and declare under penalty of refusal, suspension
or revocation of the license that the statements made in the
application are true, correct and complete to the best of the
~~individual's~~ knowledge and belief of the individual. Before

1 approving the application, the Insurance Commissioner shall find
2 that the individual:

- 3 1. Is at least eighteen (18) years of age;
- 4 2. Has not committed any act that is a ground for denial,
5 suspension or revocation set forth in Section 1435.13 of this title;
- 6 3. Has held a provisional insurance producer license or has
7 been a participant in an approved training program offered by an
8 insurance company licensed in this state except for title, aircraft
9 title, or any other producer applicant exempt by rule;
- 10 4. Has paid the fees set forth in Section 1435.23 of this
11 title; and
- 12 5. Has successfully passed the examinations for the lines of
13 authority for which the person has applied.

14 B. The approved training program specified in paragraph 3 of
15 this subsection may be offered through classroom or self-study
16 including, but not limited to, on-line or other alternative means.
17 An applicant obtaining company training may obtain it from any one
18 company with which the applicant intends to become appointed. One
19 company training program shall be sufficient and shall be acceptable
20 regardless of whether the providing company ultimately appoints the
21 license applicant. Companies shall maintain records of producers
22 who have successfully completed company training programs. The
23 records shall be available for inspection by the Commissioner.

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1 C. A business entity acting as an insurance producer is
2 required to obtain an insurance producer license. Application shall
3 be made using the Uniform Business Entity Application or an
4 application approved by the Commissioner. Before approving the
5 application, the Insurance Commissioner shall find that:

6 1. The business entity has paid the fees set forth in Section
7 1435.23 of this title;

8 2. The business entity has designated a licensed producer
9 responsible for the ~~business entity's~~ compliance of the business
10 entity with the insurance laws, rules and regulations of this state;

11 3. A domestic business entity is organized pursuant to the
12 provisions of the laws of this state and maintains its principal
13 place of business in this state; and

14 4. No person whose license as an insurance producer has been
15 revoked by order of the Commissioner, nor any business entity in
16 which ~~such~~ the person has a majority ownership interest, whether
17 direct or indirect, owns any interest in the business entity
18 licensed as an insurance producer.

19 ~~C.~~ D. A business entity acting as an insurance producer shall
20 notify the Commissioner of all changes among its members, directors
21 and officers and all other individuals designated in the license
22 within fifteen (15) days after the change.

23 ~~D.~~ E. An applicant for any license required by the provisions
24 of the Oklahoma Producer Licensing Act shall demonstrate to the

1 Insurance Commissioner that the applicant is competent, trustworthy,
2 financially responsible, and of good personal and business
3 reputation.

4 ~~E.~~ F. The Insurance Commissioner may require any documents
5 reasonably necessary to verify the information contained in an
6 application.

7 SECTION 2. AMENDATORY Section 11, Chapter 125, O.S.L.
8 2007 (36 O.S. Supp. 2008, Section 1435.7A), is amended to read as
9 follows:

10 Section 1435.7A A. A person applying for a resident
11 provisional insurance producer license shall make application to the
12 Insurance Commissioner on the Uniform Application or an application
13 approved by the Commissioner and declare under penalty of refusal,
14 suspension or revocation of the license that the statements made in
15 the application are true, correct and complete to the best of the
16 ~~individual's~~ knowledge and belief of the individual. Before
17 approving the application, the Insurance Commissioner shall find
18 that the individual:

- 19 1. Is at least eighteen (18) years of age;
- 20 2. Has not committed any act that is a ground for denial,
21 suspension or revocation set forth in Section 1435.13 of this title;
- 22 3. Has a sponsor who is a licensed resident producer in good
23 standing with the Insurance Commissioner;

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1 4. Has paid the fees set forth in Section 1435.23 of this
2 title; and

3 5. Has included the name, license number, and signature of the
4 sponsoring producer.

5 B. Conditions of the provisional license include:

6 1. The provisional licensee shall write business only under the
7 supervision of the sponsor. A sponsor may supervise up to twenty-
8 five provisional licensees. This number may be increased at the
9 discretion of the Commissioner;

10 2. The sponsor shall sign all sales applications;

11 3. The provisional licensee shall not ~~receive any commissions~~
12 ~~and shall not~~ sell, solicit, or negotiate insurance in this state
13 without supervision by the sponsoring producer and shall not receive
14 compensation for any insurance transaction that does not meet the
15 requirements of this section; and

16 4. The provisional licensee shall take eight (8) hours of
17 approved pre-license education courses to include, but not be
18 limited to:

- 19 a. insurance agency administration,
- 20 b. ethics, and
- 21 c. fiduciary responsibility.

22 C. The provisional license shall expire six (6) months from the
23 date of issuance.

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D. A provisional licensee or sponsoring producer who violates any provisions of this section shall be subject to an administrative penalty in accordance with Section 1435.13 of this title.

SECTION 3. This act shall become effective November 1, 2009.

52-1-6055 MMP 01/02/09