

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1243

6 By: McDaniel (Randy)

7 COMMITTEE SUBSTITUTE

8 An Act relating to licenses issued by the Insurance
9 Department; amending 36 O.S. 2001, Sections 1435.6,
10 as last amended by Section 24, Chapter 176, O.S.L.
11 2009, 1435.7, as last amended by Section 25, Chapter
12 176, O.S.L. 2009, 1435.8, as last amended by Section
13 26, Chapter 176, O.S.L. 2009, 1435.23, as last
14 amended by Section 12, Chapter 432, O.S.L. 2009 and
15 1435.29, as last amended by Section 13, Chapter 432,
16 O.S.L. 2009 (36 O.S. Supp. 2010, Sections 1435.6,
17 1435.7, 1435.8, 1435.23 and 1435.29), which relate to
18 the Oklahoma Producer Licensing Act; modifying
19 reexamination requirements; modifying insurance
20 producer license application requirements; modifying
21 certain license reinstatement requirements; removing
22 certain provisional license fee; modifying
23 educational requirements; amending 36 O.S. 2001,
24 Sections 6208, as last amended by Section 44, Chapter
176, O.S.L. 2009, 6209, as amended by Section 45,
Chapter 176, O.S.L. 2009, 6210, as last amended by
Section 46, Chapter 176, O.S.L. 2009 and 6217, as
last amended by Section 2, Chapter 355, O.S.L. 2010
(36 O.S. Supp. 2010, Sections 6208, 6209, 6210 and
6217), which relate to the Insurance Adjusters
Licensing Act; modifying certain exemption from
adjuster examination requirements; modifying classes
of business covered by insurance adjuster licenses;
modifying reexamination requirements; modifying
certain continuing education requirements; amending
59 O.S. 2001, Sections 1304, 1305, as last amended by
Section 55, Chapter 222, O.S.L. 2010, 1308, 1308.1,
1309 and 1314, as last amended by Section 58, Chapter
222, O.S.L. 2010 (59 O.S. Supp. 2010, Sections 1305
and 1314), which relate to bail bondsmen; modifying
duration of licenses; changing expiration date;
requiring applications to be submitted

1 electronically; requiring approval of certain forms
2 by the Insurance Commissioner; authorizing
3 Commissioner to require certain fingerprint
4 submissions; requiring payment of certain fee;
5 specifying Commissioner shall require certain record
6 checks; specifying criminal history record check
7 requirements; authorizing Commissioner to contract
8 for the collection and transmission of fingerprints;
9 authorizing Commissioner to receive certain criminal
10 record information; requiring Commissioner to treat
11 certain information as confidential; specifying
12 certain information shall not be subject to certain
13 subpoena; authorizing Commissioner to promulgate
14 certain rules; modifying application procedure and
15 eligibility requirements; eliminating requirement
16 that examination results be mailed; modifying
17 reexamination waiting period; modifying continuing
18 education requirements for bail bondsmen; modifying
19 fee payment requirements; modifying time period for
20 license reinstatement; requiring certain reports to
21 be submitted electronically; eliminating reporting by
22 mail; repealing Section 11, Chapter 125, O.S.L. 2007
23 (36 O.S. Supp. 2010, Section 1435.7A), which relates
24 to resident provisional insurance producer licenses;
providing an effective date; and declaring an
emergency.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 1435.6, as
last amended by Section 24, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
2010, Section 1435.6), is amended to read as follows:

Section 1435.6 A. A resident individual applying for an
insurance producer license shall pass a written examination unless
exempt pursuant to Section 1435.10 of this title. The examination
shall test the knowledge of the individual concerning the lines of
authority for which application is made, the duties and

1 responsibilities of an insurance producer and the insurance laws and
2 regulations of this state. Examinations required by this section
3 shall be developed and conducted under rules and regulations
4 prescribed by the Insurance Commissioner.

5 B. The Commissioner may make arrangements, including
6 contracting with an outside testing service, for administering
7 examinations and collecting the nonrefundable fee set forth in
8 Section 1435.23 of this title.

9 C. Each individual applying for an examination shall remit a
10 nonrefundable fee as prescribed by the Insurance Commissioner as set
11 forth in Section 1435.23 of this title.

12 D. After completion and filing of the application with the
13 Insurance Commissioner, except as provided in Section 1435.10 of
14 this title, the Commissioner shall subject each applicant for
15 license as an insurance agent, insurance consultant, limited
16 insurance representative, or customer service representative to an
17 examination approved by the Commissioner as to competence to act as
18 a licensee, which each applicant shall personally take and pass to
19 the satisfaction of the Commissioner. The Commissioner may accept
20 examinations administered by a testing service as satisfying the
21 examination requirements of persons seeking license as agents,
22 solicitors, counselors, or adjusters under the Oklahoma Insurance
23 Code. The Commissioner may negotiate agreements with such testing
24 services to include performance of examination development, test

1 scheduling, examination site arrangements, test administration,
2 grading, reporting, and analysis. The Commissioner may require such
3 testing services to correspond directly with the applicants with
4 regard to the administration of such examinations and that such
5 testing services collect fees for administering such examinations
6 directly from the applicants. The Commissioner may stipulate that
7 any agreements with such testing services provide for the
8 administration of examinations in specific locales and at specified
9 frequencies. The Commissioner shall retain the authority to
10 establish the scope and type of all examinations.

11 E. If the applicant is a legal entity, the examination shall be
12 taken by each individual who is to act for the entity as a licensee.

13 F. Each examination for a license shall be approved for use by
14 the Commissioner and shall reasonably test the knowledge of the
15 applicant as to the lines of insurance, policies, and transactions
16 to be handled pursuant to the license applied for, the duties and
17 responsibilities of the licensee, and the pertinent insurance laws
18 of this state.

19 G. Examination for licensing shall be at such reasonable times
20 and places as are designated by the Commissioner.

21 H. The Commissioner or testing service shall give, conduct, and
22 grade all examinations in a fair and impartial manner and without
23 discrimination among individuals examined.

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1 I. The applicant shall pass the examination with a grade
2 determined by the Commissioner to indicate satisfactory knowledge
3 and understanding of the line or lines of insurance for which the
4 applicant seeks qualification. Within ten (10) days after the
5 examination, the Commissioner shall inform the applicant and the
6 appointing insurer, when applicable, as to whether or not the
7 applicant has passed. Formal evidence of licensing shall be issued
8 by the Commissioner to the licensee within a reasonable time.

9 J. An applicant who has failed to pass the first examination
10 for the license applied for may take a second examination within
11 thirty (30) days following the first examination. Examination fees
12 for subsequent examinations shall not be waived.

13 K. An applicant who has failed to pass the first two
14 examinations for the license applied for shall not be permitted to
15 take a subsequent examination until the expiration of thirty (30)
16 days after the last previous examination. ~~An applicant shall take~~
17 ~~and pass the examination within one hundred eighty (180) days of the~~
18 ~~date of the initial application. If applicant fails to pass the~~
19 ~~examination within the specified time period, the applicant shall~~
20 ~~submit a new application accompanied by any applicable fees.~~
21 Examination fees for subsequent examinations shall not be waived.

22 L. An applicant for a license as a resident surplus lines
23 broker shall have passed the property and casualty insurance
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1 examination on the line or lines of insurance to be written to
2 qualify for a surplus lines broker license.

3 SECTION 2. AMENDATORY 36 O.S. 2001, Section 1435.7, as
4 last amended by Section 25, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
5 2010, Section 1435.7), is amended to read as follows:

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

- 15 1. Is at least eighteen (18) years of age;
- 16 2. Has not committed any act that is a ground for denial,
17 suspension or revocation set forth in Section 1435.13 of this title;
- 18 3. ~~Has held a provisional insurance producer license or has~~
19 ~~been a participant in an approved training program offered by an~~
20 ~~insurance company licensed in this state except for title, aircraft~~
21 ~~title, or any other producer applicant exempt by rule;~~
- 22 4. Has paid the fees set forth in Section 1435.23 of this
23 title; and

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1 ~~5-~~ 4. Has successfully passed the examinations for the lines of
2 authority for which the person has applied.

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

8 1. The business entity has paid the fees set forth in Section
9 1435.23 of this title;

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

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

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

21 C. An applicant for any license required by the provisions of
22 the Oklahoma Producer Licensing Act shall demonstrate to the
23 Insurance Commissioner that the applicant is competent, trustworthy,
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1 financially responsible, and of good personal and business
2 reputation.

3 D. The Insurance Commissioner may require any documents
4 reasonably necessary to verify the information contained in an
5 application.

6 SECTION 3. AMENDATORY 36 O.S. 2001, Section 1435.8, as
7 last amended by Section 26, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
8 2010, Section 1435.8), is amended to read as follows:

9 Section 1435.8 A. Unless denied licensure pursuant to Section
10 1435.13 of this title, persons who have met the requirements of
11 Sections 1435.6 and 1435.7 of this title shall be issued an
12 insurance producer license. An insurance producer may receive
13 qualification for a license in one or more of the following lines of
14 authority:

15 1. Life - insurance coverage on human lives including benefits
16 of endowment and annuities, and may include benefits in the event of
17 death or dismemberment by accident and benefits for disability
18 income;

19 2. Accident and health or sickness - insurance coverage for
20 sickness, bodily injury or accidental death and may include benefits
21 for disability income;

22 3. Property - insurance coverage for the direct or
23 consequential loss or damage to property of every kind;

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1 4. Casualty - insurance coverage against legal liability,
2 including that for death, injury or disability or damage to real or
3 personal property;

4 5. Variable life and variable annuity products - insurance
5 coverage provided under variable life insurance contracts and
6 variable annuities;

7 6. Personal lines - property and casualty insurance coverage
8 sold to individuals and families for primarily noncommercial
9 purposes;

10 7. Commercial lines - property and casualty insurance coverage
11 sold to businesses for primarily commercial purposes;

12 8. Credit - limited line credit insurance;

13 9. Title insurance - insurance coverage that insures or
14 guarantees the title to real or personal property or any interest
15 therein or encumbrance thereon;

16 10. Aircraft title insurance - insurance coverage that protects
17 an aircraft owner or lender against loss of the aircraft or priority
18 security position in the event of a successful adverse claim on the
19 title to an aircraft; and

20 11. Any other line of insurance permitted under state laws or
21 regulations.

22 B. An insurance producer license shall remain in effect unless
23 revoked or suspended as long as the fee set forth in Section 1435.23

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1 of this title is paid and education requirements for resident
2 individual producers are met by the due date.

3 C. An individual insurance producer who allows the license to
4 lapse may, within ~~twenty four (24)~~ twelve (12) months from the due
5 date of the renewal fee, reinstate the same license without the
6 necessity of passing a written examination unless the license was
7 revoked, suspended, or continuation thereof was refused by the
8 Commissioner. However, a penalty in the amount of double the unpaid
9 renewal fee shall be required for any renewal fee received after the
10 due date. Continuing education requirements must be kept current.

11 D. A licensed insurance producer who is unable to comply with
12 license renewal procedures due to military service or some other
13 extenuating circumstance, such as a long-term medical disability,
14 may request a waiver of those procedures. The producer may also
15 request a waiver of any examination requirement or any other fine or
16 sanction imposed for failure to comply with renewal procedures.

17 E. The license shall contain the licensee's name, address,
18 personal identification number, and the date of issuance, the lines
19 of authority, the expiration date and any other information the
20 Insurance Commissioner deems necessary.

21 F. Licensees shall inform the Insurance Commissioner by any
22 means acceptable to the Insurance Commissioner of a change of legal
23 name or address within thirty (30) days of the change. A change in
24 legal name or address submitted more than thirty (30) days after the

1 change must include an administrative fee of Fifty Dollars (\$50.00).
2 Failure to provide acceptable notification of a change of legal name
3 or address to the Insurance Commissioner within forty-five (45) days
4 of the date the administrative fee is assessed will result in
5 penalties pursuant to Section 1435.13 of this title.

6 G. In order to assist in the performance of the Insurance
7 Commissioner's duties, the Insurance Commissioner may contract with
8 nongovernmental entities, including the National Association of
9 Insurance Commissioners (NAIC) or any affiliates or subsidiaries
10 that the NAIC oversees, to perform any ministerial functions,
11 including the collection of fees, related to producer licensing that
12 the Insurance Commissioner and the nongovernmental entity may deem
13 appropriate.

14 H. The Commissioner may participate, in whole or in part, with
15 the National Association of Insurance Commissioners, or any
16 affiliates or subsidiaries the National Association of Insurance
17 Commissioners oversees, in a centralized producer license registry
18 where insurance producer licenses and appointments may be centrally
19 or simultaneously effected for all states that require an insurance
20 producer license and participate in such centralized producer
21 license registry. If the Commissioner finds that participation in
22 such a centralized producer license registry is in the public
23 interest, the Commissioner may adopt by rule any uniform standards
24 or procedures as are necessary to participate in the registry. This

1 includes the central collection of all fees for licenses or
2 appointments that are processed through the registry.

3 SECTION 4. AMENDATORY 36 O.S. 2001, Section 1435.23, as
4 last amended by Section 12, Chapter 432, O.S.L. 2009 (36 O.S. Supp.
5 2010, Section 1435.23), is amended to read as follows:

6 Section 1435.23 A. All applications shall be accompanied by
7 the applicable fees. An appointment may be deemed by the
8 Commissioner to have terminated upon failure by the insurer to pay
9 the prescribed renewal fee. The Commissioner may also by order
10 impose a civil penalty equal to double the amount of the unpaid
11 renewal fee.

12 The Insurance Commissioner shall collect in advance the
13 following fees and licenses:

- 14 1. For filing appointment of Insurance
15 Commissioner as agent for service of process..... \$ 20.00
- 16 2. Miscellaneous:
 - 17 a. Certificate and Clearance of
18 Commissioner..... \$ 3.00
 - 19 b. Insurance producer's study manual:
 - 20 Life, Accident & Health..... not to exceed
21 \$ 40.00
 - 22 Property and Casualty..... not to exceed
23 \$ 40.00

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1 i. Customer service representative biennial
2 license..... \$ 40.00

3 ~~j. Insurance producer's provisional license.... \$ 20.00~~

4 5. Biennial fee for each appointed insurance
5 producer, managing general agent, or limited
6 lines producer by insurer, each license of
7 each insurance producer or representative \$55.00

8 6. Renewal fee for all licenses shall be the same as the
9 current initial license fee.

10 7. The fee for a duplicate license shall be one-half (1/2) the
11 fee of an original license.

12 8. The renewal of a license shall require a fee of double the
13 current original license fee if the application for renewal is late,
14 or incomplete on the renewal deadline.

15 9. The administrative fee for submission of a change of legal
16 name or address more than thirty (30) days after the change occurred
17 shall be Fifty Dollars (\$50.00).

18 B. If for any reason an insurance producer license or
19 appointment is not issued or renewed by the Commissioner, all fees
20 accompanying the appointment or application for the license shall be
21 deemed earned and shall not be refundable except as provided in
22 Section 352 of this title.

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1 C. The Insurance Commissioner, by order, may waive licensing
2 fees in extraordinary circumstances for a class of producers where
3 the Commissioner deems that the public interest will be best served.

4 SECTION 5. AMENDATORY 36 O.S. 2001, Section 1435.29, as
5 last amended by Section 13, Chapter 432, O.S.L. 2009 (36 O.S. Supp.
6 2010, Section 1435.29), is amended to read as follows:

7 Section 1435.29 A. 1. Each insurance producer, with the
8 exception of title producers and aircraft title producers or any
9 other producer exempt by rule, shall, biennially, complete not less
10 than twenty-one (21) clock hours of continuing insurance education
11 ~~which shall cover subjects in the lines for which the insurance~~
12 ~~producer is licensed.~~ Such education may include a written or oral
13 examination.

14 2. Each customer service representative shall, biennially,
15 complete not less than ten (10) clock hours of continuing insurance
16 education ~~which shall cover subjects in the lines for which the~~
17 ~~licensee is authorized to conduct insurance-related business on~~
18 ~~behalf of the appointing agent, broker, or agency.~~

19 3. Licensees, with the exception of title producers and
20 aircraft title producers or any other producer exempt by rule, shall
21 complete, in addition to the foregoing, three (3) clock hours of
22 ethics course work in this same period.

23 4. Each title producer and aircraft title producer shall,
24 biennially, complete not less than sixteen (16) clock hours of

1 continuing insurance education, two (2) hours of which shall be
2 ethics course work, which shall cover the line for which the
3 producer is licensed. Such education may include a written or oral
4 examination.

5 B. 1. The Insurance Commissioner shall approve courses and
6 providers of ~~resident provisional producer prelicensing education~~
7 ~~and~~ continuing education. The Insurance Department may use one or
8 more of the following to review and provide a nonbinding
9 recommendation to the Insurance Commissioner on approval or
10 disapproval of courses and providers of ~~resident provisional~~
11 ~~producer prelicensing education~~ and continuing education:

- 12 a. employees of the Insurance Commissioner,
- 13 b. a continuing education advisory committee, or
- 14 c. an independent service whose normal business
15 activities include the review and approval of
16 continuing education courses and providers. The
17 Commissioner may negotiate agreements with such
18 independent service to review documents and other
19 materials submitted for approval of courses and
20 providers and provide the Commissioner with its
21 nonbinding recommendation. The Commissioner may
22 require such independent service to collect the fee
23 charged by the independent service for reviewing

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1 materials provided for review directly from the course
2 providers.

3 The Insurance Commissioner has sole authority to approve courses
4 and providers of ~~resident provisional producer prelicensing~~
5 ~~education and~~ continuing education. If the Insurance Commissioner
6 uses one of the entities listed above to provide a nonbinding
7 recommendation, the Commissioner shall adopt or decline to adopt the
8 recommendation within thirty (30) days of receipt of the
9 recommendation. In the event the Insurance Commissioner takes no
10 action within said thirty-day period, the recommendation made to the
11 Commissioner will be deemed to have been adopted by the
12 Commissioner.

13 The Insurance Commissioner may certify providers and courses
14 offered for license examination study. The Insurance Department
15 shall use employees of the Insurance Commissioner to review and
16 certify license examination study program providers and courses.

17 2. Each insurance company shall be allowed to provide
18 continuing education to insurance producers and customer service
19 representatives as required by this section; provided that such
20 continuing education meets the general standards for education
21 otherwise established by the Insurance Commissioner.

22 3. An insurance producer who, during the time period prior to
23 renewal, participates in an approved professional designation
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1 program shall be deemed to have met the biennial requirement for
2 continuing education.

3 Each course in the curriculum for the program shall total a
4 minimum of twenty-four (24) hours. Each approved professional
5 designation program included in this section shall be reviewed for
6 quality and compliance every three (3) years in accordance with
7 standardized criteria promulgated by rule. Continuation of approved
8 status is contingent upon the findings of the review. The list of
9 professional designation programs approved under this paragraph
10 shall be made available to producers and providers annually.

11 4. The Insurance Department may promulgate rules providing that
12 courses or programs offered by professional associations shall
13 qualify for presumptive continuing education credit approval. The
14 rules shall include standardized criteria for reviewing the
15 professional associations' mission, membership, and other relevant
16 information, and shall provide a procedure for the Department to
17 disallow all or part of a presumptively approved course.

18 Professional association courses approved in accordance with this
19 paragraph shall be reviewed every three (3) years to determine
20 whether they continue to qualify for continuing education credit.

21 5. Subject to approval by the Commissioner, the active
22 membership of the licensed producer or broker in local, regional,
23 state, or national professional insurance organizations or
24 associations may be approved for up to one (1) annual hour of

1 instruction. The hour shall be credited upon timely filing with the
2 Commissioner, or designee of the Commissioner, and appropriate
3 written evidence acceptable to the Commissioner of such active
4 membership in the organization or association.

5 6. The active service of a licensed producer as a member of a
6 continuing education advisory committee, as described in paragraph 1
7 of this subsection, shall be deemed to qualify for continuing
8 education credit on an hour-for-hour basis.

9 C. Annual fees and course submission fees shall be set forth as
10 a rule by the Commissioner. The fees are payable to the Insurance
11 Commissioner. Provided, public-funded educational institutions,
12 federal agencies, nonprofit organizations, not-for-profit
13 organizations, and Oklahoma state agencies shall be exempt from this
14 subsection.

15 D. Failure of an insurance producer or customer service
16 representative to comply with the requirements of the Oklahoma
17 Producer Licensing Act may, after notice and opportunity for
18 hearing, result in censure, suspension, nonrenewal of license or a
19 civil penalty of up to Five Hundred Dollars (\$500.00) or by both
20 such penalty and civil penalty. Said civil penalty may be enforced
21 in the same manner in which civil judgments may be enforced.

22 E. Limited lines producers and nonresident agents who have
23 successfully completed an equivalent or greater requirement shall be
24 exempt from the provisions of this section.

1 F. Members of the Legislature shall be exempt from this
2 section.

3 G. The Commissioner shall adopt and promulgate such rules as
4 are necessary for effective administration of this section.

5 SECTION 6. AMENDATORY 36 O.S. 2001, Section 6208, as
6 last amended by Section 44, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
7 2010, Section 6208), is amended to read as follows:

8 Section 6208. A. Each applicant for a license as an adjuster
9 shall, prior to issuance of said license, personally take and pass,
10 to the satisfaction of the Commissioner, an examination approved by
11 the Commissioner as a test of the qualifications and competency of
12 the applicant.

13 B. The requirement of an examination shall not apply to the
14 following:

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

17 2. A nonresident applicant who has passed an examination in the
18 home state of the applicant and who is currently licensed and in
19 good standing in the applicant's home state; or

20 3. Any applicant for a license covering the same class or
21 classes of insurance for which the applicant was licensed in this
22 state pursuant to a similar license during the ~~twenty-four month~~
23 twelve-month period immediately preceding the date of application,
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1 unless said previous license was revoked or suspended, or
2 continuation of the license was refused by the Commissioner; or

3 4. An applicant for a resident license who has passed an
4 examination in the former home state and who is licensed and in good
5 standing in the former home state at the time the application is
6 submitted. The applicant shall make application to become a
7 resident adjuster within ninety (90) days after establishing legal
8 residence in Oklahoma.

9 SECTION 7. AMENDATORY 36 O.S. 2001, Section 6209, as
10 amended by Section 45, Chapter 176, O.S.L. 2009 (36 O.S. Supp. 2010,
11 Section 6209), is amended to read as follows:

12 Section 6209. A. Each examination for a license as an adjuster
13 shall be prescribed by the Commissioner and shall be of sufficient
14 scope to reasonably test the knowledge of the applicant as to the
15 kinds of insurance contracts which may be dealt with in accordance
16 with the license applied for, the duties and responsibilities of
17 insurers pursuant to said contracts and pursuant to the laws of this
18 state applicable to the adjusting claims of losses in accordance
19 with the license applied for.

20 B. An applicant for a license as an adjuster may qualify in any
21 one of the following classes of insurance or combinations thereof,
22 and the license when issued may be limited to cover adjusting in any
23 one of the following classes of insurance or combinations thereof.

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1 The application for a license shall specify which of the following
2 classes of business the application and license are to cover:

3 1. ~~motor vehicle physical damage, meaning~~ Property, including
4 but not limited to marine, inland marine, aircraft and damages to
5 all land motor vehicles and trailers whether or not covered by first
6 party physical damage coverages or property damage liability
7 coverages; or

8 2. ~~fire and allied lines, including marine, inland marine, and~~
9 ~~aircraft; or~~

10 3. ~~casualty~~ Casualty, meaning all lines of liability insurance
11 coverages for bodily injuries, personal injury, and property
12 damages; or

13 4. ~~workers'~~ 3. Workers' compensation; or

14 5. ~~crime~~ 4. Crime and fidelity bonds; or

15 6. ~~crop/hail~~ 5. Crop/hail; or

16 6. Multi-peril crop.

17 C. The Commissioner shall prepare and make available to
18 applicants a manual of instructions stating in general terms the
19 subjects which may be covered in any examination for a license as an
20 adjuster. The Commissioner may charge a reasonable amount not to
21 exceed Forty Dollars (\$40.00) for the study manual.

22 SECTION 8. AMENDATORY 36 O.S. 2001, Section 6210, as
23 last amended by Section 46, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
24 2010, Section 6210), is amended to read as follows:

1 Section 6210. A. The answers of the applicant to any
2 examination for licensing as an adjuster shall be written by the
3 applicant under supervision of the Insurance Commissioner or an
4 administrator approved by the Insurance Commissioner.

5 B. Examination for licensing shall be at such reasonable times
6 and places as are designated by the Insurance Commissioner.

7 C. An applicant who has failed to pass the first ~~examination~~
8 two examinations for the license ~~for which applied may take a second~~
9 ~~examination within~~ for shall not be permitted to take a subsequent
10 examination until the expiration of thirty (30) days following the
11 first after the last examination. ~~An applicant who has failed to~~
12 ~~pass the first two examinations for the license for which applied~~
13 ~~shall not be permitted to take a subsequent examination until the~~
14 ~~expiration of thirty (30) days after the last previous examination.~~
15 ~~An applicant shall take and pass the examination within one hundred~~
16 ~~eighty (180) days of the date of the initial application. If the~~
17 ~~applicant fails to pass an examination within the specified time~~
18 ~~period, the applicant shall submit a new application accompanied by~~
19 ~~any applicable fees. Examination fees for subsequent examinations~~
20 shall not be waived.

21 SECTION 9. AMENDATORY 36 O.S. 2001, Section 6217, as
22 last amended by Section 2, Chapter 355, O.S.L. 2010 (36 O.S. Supp.
23 2010, Section 6217), is amended to read as follows:

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1 Section 6217. A. All licenses issued pursuant to the
2 provisions of the Insurance Adjusters Licensing Act shall continue
3 in force not longer than twenty-four (24) months. The renewal dates
4 for the licenses may be staggered throughout the year by notifying
5 licensees in writing of the expiration and renewal date being
6 assigned to the licensees by the Insurance Commissioner and by
7 making appropriate adjustments in the biennial licensing fee.

8 B. Any licensee applying for renewal of a license as an
9 adjuster shall have completed not less than twenty-four (24) clock
10 hours of continuing insurance education, of which three (3) hours
11 ~~must~~ shall be in ethics, within the previous twenty-four (24) months
12 prior to renewal of the license. ~~Such continuing education shall~~
13 ~~cover subjects in the classes of insurance for which the adjuster is~~
14 ~~licensed.~~ The Insurance Commissioner shall approve courses and
15 providers of continuing education for insurance adjusters as
16 required by this section.

17 The Insurance Department may use one or more of the following to
18 review and provide a nonbinding recommendation to the Insurance
19 Commissioner on approval or disapproval of courses and providers of
20 continuing education:

- 21 1. Employees of the Insurance Commissioner;
- 22 2. A continuing education advisory committee. The continuing
23 education advisory committee is separate and distinct from the
24 Advisory Board established by Section 6221 of this title;

1 3. An independent service whose normal business activities
2 include the review and approval of continuing education courses and
3 providers. The Commissioner may negotiate agreements with such
4 independent service to review documents and other materials
5 submitted for approval of courses and providers and present the
6 Commissioner with its nonbinding recommendation. The Commissioner
7 may require such independent service to collect the fee charged by
8 the independent service for reviewing materials provided for review
9 directly from the course providers.

10 C. An adjuster who, during the time period prior to renewal,
11 participates in an approved professional designation program shall
12 be deemed to have met the biennial requirement for continuing
13 education. Each course in the curriculum for the program shall
14 total a minimum of twenty (20) hours. Each approved professional
15 designation program included in this section shall be reviewed for
16 quality and compliance every three (3) years in accordance with
17 standardized criteria promulgated by rule. Continuation of approved
18 status is contingent upon the findings of the review. The list of
19 professional designation programs approved under this subsection
20 shall be made available to producers and providers annually.

21 D. A claims adjuster for any insurer duly authorized to
22 transact workers' compensation insurance shall complete six (6)
23 hours of continuing education relating to the Workers' Compensation
24

1 Act as part of the twenty-four (24) clock hours of continuing
2 insurance education.

3 E. The Insurance Department may promulgate rules providing that
4 courses or programs offered by professional associations shall
5 qualify for presumptive continuing education credit approval. The
6 rules shall include standardized criteria for reviewing the
7 professional associations' mission, membership, and other relevant
8 information, and shall provide a procedure for the Department to
9 disallow a presumptively approved course. Professional association
10 courses approved in accordance with this subsection shall be
11 reviewed every three (3) years to determine whether they continue to
12 qualify for continuing education credit.

13 F. The active service of a licensed adjuster as a member of a
14 continuing education advisory committee, as described in paragraph 2
15 of subsection B of this section, shall be deemed to qualify for
16 continuing education credit on an hour-for-hour basis.

17 G. Each provider of continuing education shall, after approval
18 by the Commissioner, submit an annual fee. A fee may be assessed
19 for each course submission at the time it is first submitted for
20 review and upon submission for renewal at expiration. Annual fees
21 and course submission fees shall be set forth as a rule by the
22 Commissioner. The fees are payable to the Insurance Commissioner
23 and shall be deposited in the State Insurance Commissioner Revolving
24 Fund, created in subsection C of Section 1435.23 of this title, for

1 the purposes of fulfilling and accomplishing the conditions and
2 purposes of the Oklahoma Producer Licensing Act and the Insurance
3 Adjusters Licensing Act. Public-funded educational institutions,
4 federal agencies, nonprofit organizations, not-for-profit
5 organizations and Oklahoma state agencies shall be exempt from this
6 subsection.

7 H. Subject to the right of the Commissioner to suspend, revoke,
8 or refuse to renew a license of an adjuster, any such license may be
9 renewed by filing on the form prescribed by the Commissioner on or
10 before the expiration date a written request by or on behalf of the
11 licensee for such renewal and proof of completion of the continuing
12 education requirement set forth in subsection B of this section,
13 accompanied by payment of the renewal fee.

14 I. If the request, proof of compliance with the continuing
15 education requirement and fee for renewal of a license as an
16 adjuster are filed with the Commissioner prior to the expiration of
17 the existing license, the licensee may continue to act pursuant to
18 said license, unless revoked or suspended prior to the expiration
19 date, until the issuance of a renewal license or until the
20 expiration of ten (10) days after the Commissioner has refused to
21 renew the license and has mailed notice of said refusal to the
22 licensee. Any request for renewal filed after the date of
23 expiration may be considered by the Commissioner as an application
24 for a new license.

1 SECTION 10. AMENDATORY 59 O.S. 2001, Section 1304, is
2 amended to read as follows:

3 Section 1304. ~~All licenses of bail bondsmen~~ Each bail bondsman
4 license issued shall expire ~~annually~~ biennially at 12:00 o'clock
5 midnight on the last day of ~~September~~ the birth month of the
6 bondsman, unless revoked or suspended prior thereto by the Insurance
7 Commissioner, or upon notice served upon the Commissioner that the
8 insurer or employer of any bail bondsman has canceled the licensee's
9 authority to act for such insurer or employer.

10 SECTION 11. AMENDATORY 59 O.S. 2001, Section 1305, as
11 last amended by Section 55, Chapter 222, O.S.L. 2010 (59 O.S. Supp.
12 2010, Section 1305), is amended to read as follows:

13 Section 1305. A. The application for license to serve as a
14 bail bondsman shall affirmatively show that the applicant:

15 1. Is a person who has reached the age of twenty-one (21)
16 years;

17 2. Is of good character and reputation;

18 3. Has not been previously convicted of, or pled guilty or nolo
19 contendere to, any felony, or to a misdemeanor involving moral
20 turpitude or dishonesty;

21 4. Is a citizen of the United States;

22 5. Has been a bona fide resident of the state for at least one
23 (1) year;

24 6. Will actively engage in the bail bond business;

1 7. Has knowledge or experience, or has received instruction in
2 the bail bond business; and

3 8. Has a high school diploma or its equivalent; provided,
4 however, the provisions of this paragraph shall apply only to
5 initial applications for license submitted on or after November 1,
6 1997, and shall not apply to renewal applications for license.

7 B. The applicant shall apply ~~in writing~~ electronically on forms
8 ~~prepared and supplied~~ approved by the Insurance Commissioner, and
9 the Commissioner may propound any reasonable interrogatories to an
10 applicant for a license pursuant to Sections 1301 through 1340 of
11 this title, or on any renewal thereof, relating to qualifications,
12 residence, prospective place of business and any other matters
13 which, in the opinion of the Commissioner, are deemed necessary or
14 expedient in order to protect the public and ascertain the
15 qualifications of the applicant. The Commissioner may also conduct
16 any reasonable inquiry or investigation relative to the
17 determination of the fitness of the applicant to be licensed or to
18 continue to be licensed including, but not limited to, requiring a
19 national criminal history record check as defined by Section 150.9
20 of Title 74 of the Oklahoma Statutes.

21 C. An applicant shall furnish to the Commissioner a license fee
22 of Two Hundred Fifty Dollars (\$250.00) with the application, ~~a~~
23 ~~complete set of the fingerprints of the applicant~~ and two recent
24 credential-size full-face photographs of the applicant. The

1 ~~fingerprints of the applicant shall be certified by an authorized~~
2 ~~law enforcement officer. In order to make a determination of~~
3 ~~license eligibility, the Commissioner is authorized to require~~
4 ~~fingerprints of applicants and submit such fingerprints and the fee~~
5 ~~required to perform the criminal history record checks to the~~
6 ~~Oklahoma State Bureau of Investigation, the Federal Bureau of~~
7 ~~Investigation, and any governmental agency or entity authorized to~~
8 ~~receive this information for state and national criminal history~~
9 ~~record checks.~~ The applicant shall provide with the application an
10 investigative fee of One Hundred Dollars (\$100.00) ~~with which the~~
11 ~~Commissioner will conduct an investigation of the applicant. All~~
12 ~~fees shall be nonrefundable~~ to be paid to the Commissioner or to a
13 contractor chosen by the Commissioner for purposes of collection and
14 transmission of fingerprints authorized by this section.

15 D. The Commissioner shall require a criminal history record
16 check on each applicant in accordance with this section. The
17 Commissioner shall require each applicant to submit a full set of
18 fingerprints, including a scanned file from a hard copy, in order
19 for the Commissioner to obtain and receive National Criminal History
20 Records from the Federal Bureau of Investigation Criminal Justice
21 Information Services Division.

22 E. The Commissioner may contract for the collection and
23 transmission of fingerprints authorized under this section. If the
24 Commissioner does so, the Commissioner may order the fee for

1 collecting and transmitting fingerprints to be payable directly to
2 the contractor by the applicant.

3 F. The Commissioner shall be authorized to receive criminal
4 history record information in lieu of the Oklahoma State Bureau of
5 Investigation or any governmental agency or entity authorized to
6 receive this information that submitted the fingerprints to the
7 Federal Bureau of Investigation.

8 G. The Commissioner shall treat and maintain the fingerprints
9 of an applicant and any criminal history record information obtained
10 pursuant to this section as confidential and shall apply security
11 measures consistent with the Criminal Justice Information Services
12 Division of the Federal Bureau of Investigation standards for the
13 electronic storage of fingerprints and necessary identifying
14 information and limit the use of records solely to the purposes
15 authorized by this section. The fingerprints and any criminal
16 history record information shall not be subject to subpoena, other
17 than one issued in a criminal action or investigation and shall be
18 confidential by law and privileged, and shall not be subject to
19 discovery or admissible in evidence in any private civil action.

20 H. Failure of the applicant to secure approval of the
21 Commissioner shall not preclude the applicant from reapplying, but a
22 second application shall not be considered by the Commissioner
23 within three (3) months after denial of the last application.
24

1 ~~E.~~ I. The fee for a duplicate pocket license shall be Twenty-
2 five Dollars (\$25.00).

3 J. The Commissioner may promulgate rules as are necessary for
4 the implementation and administration of this section.

5 SECTION 12. AMENDATORY 59 O.S. 2001, Section 1308, is
6 amended to read as follows:

7 Section 1308. A. The applicant for bail bondsman shall be
8 required to appear in person and take ~~a written~~ an examination
9 prepared by the Insurance Commissioner, testing the applicant's
10 ability and qualifications to be a bail bondsman. Applications are
11 valid for six (6) months after submission. If an applicant has not
12 acted upon the application within that period, a new application and
13 fees shall be submitted for the applicant to be considered for
14 licensure.

15 B. Each applicant shall become eligible for examination ~~ninety~~
16 ~~(90) days after the date the application is received by the~~
17 ~~Commissioner,~~ if the applicant has completed sixteen (16) hours of
18 education as required by Section 1308.1 of this title ~~and the~~
19 ~~Commissioner is otherwise satisfied as to the applicant's fitness to~~
20 ~~take~~ prior to the examination. Examinations shall be held at times
21 and places as designated by the Commissioner, ~~and the applicant~~
22 ~~shall be given notice of the time and place not less than fifteen~~
23 ~~(15) days prior to taking the examination.~~

24

1 C. The fee for the examination shall be One Hundred Dollars
2 (\$100.00) ~~in addition to the license fee heretofore provided and~~
3 ~~shall be submitted after approval of the application but prior to~~
4 ~~taking the examination.~~ Results will be mailed to the applicant
5 ~~within thirty (30) days~~ provided after the applicant is examined.

6 D. The failure of an applicant to pass an examination shall not
7 preclude the applicant from taking subsequent examinations;
8 provided, however, that at least ~~three (3) months must~~ thirty (30)
9 days shall intervene between examinations; and provided further,
10 after a third or subsequent examination failure, an applicant may
11 not ~~apply and~~ be examined for at least one (1) year after the last
12 examination failure.

13 SECTION 13. AMENDATORY 59 O.S. 2001, Section 1308.1, is
14 amended to read as follows:

15 Section 1308.1 A. In order to be eligible to take the
16 examination required to be licensed as a bail bondsman, each person
17 shall complete not less than sixteen (16) clock hours of education
18 in subjects pertinent to the duties and responsibilities of a bail
19 bondsman, including all laws and regulations related thereto.
20 Further, each licensee shall complete ~~annually~~ biennially not less
21 than ~~eight (8)~~ sixteen (16) clock hours of continuing education in
22 said subjects prior to renewal of the license. Such continuing
23 education shall not include a written or oral examination.

1 Provided, any person licensed as a bail bondsman prior to
2 November 1, 1989, shall not be required to complete sixteen (16)
3 clock hours of education prior to licensure but shall be subject to
4 the ~~eight hours~~ sixteen-hour continuing education requirement in
5 order to renew said license, except that a licensed bail bondsman
6 who is sixty-five (65) years of age or older and who has been
7 licensed as a bail bondsman for fifteen (15) years or more shall be
8 exempt from both the education and continuing education requirements
9 of this section.

10 B. The Oklahoma Bondsman Association shall provide education
11 for bail bondsman licensure as required by this section; provided
12 that the Insurance Commissioner shall approve the courses offered
13 and provided further such education meets the general standards for
14 education otherwise established by the Insurance Commissioner.

15 C. The Oklahoma Bondsman Association shall submit ~~an annual~~
16 biennially a fee of One Hundred Dollars (\$100.00) Two Hundred
17 Dollars (\$200.00), payable to the Insurance Commissioner which shall
18 be deposited ~~in the Bail Bondsmen Revolving Fund~~ with the State
19 Treasurer for the purposes of fulfilling and accomplishing the
20 conditions and purposes of this section.

21 D. Any person who falsely represents to the Insurance
22 Commissioner that compliance with this section has been met shall be
23 subject, after notice and hearing, to the penalties and fines set
24 out in Section 1310 of this title.

1 E. The Commissioner shall adopt and promulgate such rules as
2 are necessary for effective administration of this section.

3 SECTION 14. AMENDATORY 59 O.S. 2001, Section 1309, is
4 amended to read as follows:

5 Section 1309. A. A renewal license shall be issued by the
6 Insurance Commissioner to a licensee who has continuously maintained
7 same in effect, without further examination, upon payment of a
8 renewal fee of ~~One Hundred Dollars (\$100.00)~~ Two Hundred Dollars
9 (\$200.00) for a bail bondsman and proof of completion of ~~eight (8)~~
10 sixteen (16) hours of continuing education as required by Section
11 1308.1 of this title. The renewal fee shall be submitted ~~by~~
12 ~~September 15 of each year~~ biennially by the last day of the birth
13 month of the bondsman. Such licensee shall in all other respects be
14 required to comply with and be subject to the provisions of ~~Section~~
15 Sections 1301 et seq. through 1340 of this title.

16 B. In case of renewal of a professional bondsman license, the
17 application shall also provide a financial statement prepared by an
18 accounting firm or individual holding a permit to practice public
19 accounting in this state in accordance with generally accepted
20 principles of accounting procedures showing assets, liabilities, and
21 net worth, said statement to be as of a date not earlier than ninety
22 (90) days prior to submission of the license renewal application.
23 The statements shall be attested to by an unqualified opinion of the
24 accounting firm or individual holding a permit to practice public

1 accounting in this state that prepared the statement or statements.
2 The statement shall be submitted ~~by September 15 of each year~~
3 annually by the last day of the birth month of the bondsman.

4 C. In case of renewal of a property bondsman license, the
5 application shall also provide a county assessor's written statement
6 stating the property's assessed value for each property used to post
7 bonds and a written statement from any lien holder stating the
8 current payoff amount on each lien for each property used to post
9 bonds. The written statements shall be submitted ~~by September 15 of~~
10 ~~each year~~ annually by the last day of the birth month of the
11 bondsman.

12 D. If the license is not renewed or the renewal fee is not paid
13 by ~~September 30 of each year~~ the last day of the birth month of the
14 bondsman, such license shall expire automatically pursuant to
15 Section 1304 of this title. ~~If after November 30 of each year~~ The
16 license may be reinstated by payment of the renewal fee if payment
17 is received within one (1) year of expiration. If after the one-
18 year date, the license has not been renewed ~~or the renewal fee paid~~,
19 then ~~such~~ the licensee shall be required to apply for a license as a
20 new applicant.

21 E. ~~Late renewal~~ Reinstatement fees shall be double the original
22 fee.

23
24

1 SECTION 15. AMENDATORY 59 O.S. 2001, Section 1314, as
2 last amended by Section 58, Chapter 222, O.S.L. 2010 (59 O.S. Supp.
3 2010, Section 1314), is amended to read as follows:

4 Section 1314. A. When a bail bondsman or managing general
5 agent accepts collateral, the bail bondsman or managing general
6 agent shall give a written receipt for same, and this receipt shall
7 give in detail a full description of the collateral received. A
8 description of the collateral shall be listed on the undertaking by
9 affidavit. All property taken as collateral, whether personal,
10 intangible or real, shall be receipted for and deemed, for all
11 purposes, to be in the name of, and for the use and benefit of, the
12 surety company or licensed professional bondsman, as the case may
13 be. Every receipt, encumbrance, mortgage or other evidence of the
14 custody, possession or claim shall facially indicate that it has
15 been taken or made on behalf of the surety company or professional
16 bondsman through its authorized agent, the individual licensed
17 bondsman or managing general agent who has transacted the
18 undertaking with the bond principal. Any mortgage or other
19 encumbrance against real property taken under the provisions of this
20 section which does not indicate beneficial ownership of the claim to
21 be in favor of the surety company or professional bondsman shall be
22 deemed to constitute a cloud on the title to real estate and shall
23 subject the person filing, or causing same to be filed, in the real
24 estate records of the county, to a penalty of treble damages or One

1 Thousand Dollars (\$1,000.00), whichever is greater, in an action
2 brought by the person, organization or corporation injured thereby.
3 For collateral taken, or liens or encumbrances taken or made
4 pursuant to the provisions of this section, the individual bondsman
5 or managing general agent taking possession of the property or
6 making the lien, claim or encumbrance shall do so on behalf of the
7 surety company or professional bondsman, as the case may be, and the
8 individual licensed bondsman shall be deemed to act in the capacity
9 of fiduciary in relation to both:

10 1. The principal or other person from whom the property is
11 taken or claimed against; and

12 2. The surety company or professional bondsman whose agent is
13 the licensed bondsman.

14 As fiduciary and bailee for hire, the individual bondsman shall
15 be liable in criminal or civil actions at law for failure to
16 properly receipt or account for, maintain or safeguard, release or
17 deliver possession upon lawful demand, in addition to any other
18 penalties set forth in this subsection. No person who takes
19 possession of property as collateral pursuant to this section shall
20 use or otherwise dissipate the asset, or do otherwise with the
21 property than to safeguard and maintain its condition pending its
22 return to its lawful owner, or deliver to the surety company or
23 professional bondsman, upon lawful demand pursuant to the terms of
24 the bailment.

1 B. Every licensed bondsman shall file monthly ~~by mail with~~
2 ~~return receipt requested~~ electronically with the Insurance
3 Commissioner and on forms ~~prescribed~~ approved by the Commissioner as
4 follows:

5 1. A monthly report showing every bond written, amount of bond,
6 whether released or revoked during each month, showing the court and
7 county, and the style and number of the case, premiums charged and
8 collateral received; and

9 2. Professional bondsmen shall submit ~~by mail with return~~
10 ~~receipt requested notarized~~ electronic monthly reports showing total
11 current liabilities, all bonds written during the month by the
12 professional bondsman and by any licensed bondsman who may
13 countersign for the professional bondsman, all bonds terminated
14 during the month, and the total liability and a list of all bondsmen
15 currently employed by the professional bondsmen.

16 Monthly reports shall be ~~postmarked or stamped "received"~~ by
17 submitted electronically to the Insurance Commissioner by the
18 fifteenth day of each month. The records shall be maintained by the
19 Commissioner as public records.

20 C. Every licensee shall keep at the place of business of the
21 licensee the usual and customary records pertaining to transactions
22 authorized by the license. All of the records shall be available
23 and open to the inspection of the Commissioner at any time during
24 business hours during the three (3) years immediately following the

1 date of the transaction. The Commissioner may require a financial
2 examination or market conduct survey during any investigation of a
3 licensee.

4 D. Each bail bondsman shall submit each month with the monthly
5 report of the bondsman, a reviewal fee equal to two-tenths of one
6 percent (2/10 of 1%) of the new liability written for that month.
7 The fee shall be payable to the Insurance Commissioner who shall
8 deposit same with the State Treasurer.

9 SECTION 16. REPEALER Section 11, Chapter 125, O.S.L.
10 2007 (36 O.S. Supp. 2010, Section 1435.7A), is hereby repealed.

11 SECTION 17. This act shall become effective July 1, 2011.

12 SECTION 18. It being immediately necessary for the preservation
13 of the public peace, health and safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

16

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