

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 407

By: Brown of the Senate

and

Mulready of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to continuing education for insurance  
11 producers; amending 36 O.S. 2001, Section 1435.29, as  
12 last amended by Section 13, Chapter 432, O.S.L. 2009  
13 (36 O.S. Supp. 2010, Section 1435.29), which relates  
14 to continuing education; modifying requirements; and  
15 providing an effective date.

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

17 SECTION 1. AMENDATORY 36 O.S. 2001, Section 1435.29, as  
18 last amended by Section 13, Chapter 432, O.S.L. 2009 (36 O.S. Supp.  
19 2010, Section 1435.29), is amended to read as follows:

20 Section 1435.29 A. 1. Each insurance producer, with the  
21 exception of title producers and aircraft title producers or any  
22 other producer exempt by rule, shall, biennially, complete not less  
23 than twenty-one (21) clock hours of continuing insurance education  
24 which shall cover subjects in the lines for which the insurance

1 producer is licensed. Such education may include a written or oral  
2 examination.

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

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

12 4. Each title producer and aircraft title producer shall,  
13 biennially, complete not less than sixteen (16) clock hours of  
14 continuing insurance education, two (2) hours of which shall be  
15 ethics course work, which shall cover the line for which the  
16 producer is licensed. Such education may include a written or oral  
17 examination.

18 B. 1. The Insurance Commissioner shall approve courses and  
19 providers of resident provisional producer prelicensing education  
20 and continuing education. The Insurance Department may use one or  
21 more of the following to review and provide a nonbinding  
22 recommendation to the Insurance Commissioner on approval or  
23 disapproval of courses and providers of resident provisional  
24 producer prelicensing education and continuing education:

- 1 a. employees of the Insurance Commissioner,
- 2 b. a continuing education advisory committee, or
- 3 c. an independent service whose normal business
- 4 activities include the review and approval of
- 5 continuing education courses and providers. The
- 6 Commissioner may negotiate agreements with such
- 7 independent service to review documents and other
- 8 materials submitted for approval of courses and
- 9 providers and provide the Commissioner with its
- 10 nonbinding recommendation. The Commissioner may
- 11 require such independent service to collect the fee
- 12 charged by the independent service for reviewing
- 13 materials provided for review directly from the course
- 14 providers.

15 The Insurance Commissioner has sole authority to approve courses  
16 and providers of resident provisional producer prelicensing  
17 education and continuing education. If the Insurance Commissioner  
18 uses one of the entities listed above to provide a nonbinding  
19 recommendation, the Commissioner shall adopt or decline to adopt the  
20 recommendation within thirty (30) days of receipt of the  
21 recommendation. In the event the Insurance Commissioner takes no  
22 action within said thirty-day period, the recommendation made to the  
23 Commissioner will be deemed to have been adopted by the  
24 Commissioner.

1 The Insurance Commissioner may certify providers and courses  
2 offered for license examination study. The Insurance Department  
3 shall use employees of the Insurance Commissioner to review and  
4 certify license examination study program providers and courses.

5 2. Each insurance company shall be allowed to provide  
6 continuing education to insurance producers and customer service  
7 representatives as required by this section; provided that such  
8 continuing education meets the general standards for education  
9 otherwise established by the Insurance Commissioner.

10 3. An insurance producer who, during the time period prior to  
11 renewal, participates in ~~an approved~~ a professional designation  
12 program, approved by the Insurance Commissioner, shall be deemed to  
13 have met the biennial requirement for continuing education.

14 ~~Each course in the~~ The curriculum for the program shall total a  
15 minimum of twenty-four (24) hours within a twenty-four-month period.  
16 Each approved professional designation program included in this  
17 section shall be reviewed for quality and compliance every three (3)  
18 years in accordance with standardized criteria promulgated by rule.  
19 Continuation of approved status is contingent upon the findings of  
20 the review. The list of professional designation programs approved  
21 under this paragraph shall be made available to producers and  
22 providers annually.

23 4. The Insurance Department may promulgate rules providing that  
24 courses or programs offered by professional associations shall

1 qualify for presumptive continuing education credit approval. The  
2 rules shall include standardized criteria for reviewing the  
3 professional associations' mission, membership, and other relevant  
4 information, and shall provide a procedure for the Department to  
5 disallow all or part of a presumptively approved course.

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

9 5. Subject to approval by the Commissioner, the active  
10 membership of the licensed producer or broker in local, regional,  
11 state, or national professional insurance organizations or  
12 associations may be approved for up to one (1) annual hour of  
13 instruction. The hour shall be credited upon timely filing with the  
14 Commissioner, or designee of the Commissioner, and appropriate  
15 written evidence acceptable to the Commissioner of such active  
16 membership in the organization or association.

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

21 C. Annual fees and course submission fees shall be set forth as  
22 a rule by the Commissioner. The fees are payable to the Insurance  
23 Commissioner. Provided, public-funded educational institutions,  
24 federal agencies, nonprofit organizations, not-for-profit

1 organizations, and Oklahoma state agencies shall be exempt from this  
2 subsection.

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

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

13 F. Members of the Legislature shall be exempt from this  
14 section.

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

17 SECTION 2. This act shall become effective November 1, 2011.

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