

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL 397

By: Stanislawski of the Senate

and

6 McDaniel (Randy) of the
7 House

8
9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to insurance producers; amending 36
11 O.S. 2001, Section 1435.29, as amended by Section 7
12 of Enrolled Senate Bill No. 1704 of the 2nd Session
13 of the 53rd Oklahoma Legislature, which relates to
14 continuing education for insurance producers;
15 requiring online continuing education courses to be
16 designed in a manner that allows for completion of
17 the material without a proctor or monitor; providing
18 an effective date; and declaring an emergency.

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

20 SECTION 1. AMENDATORY 36 O.S. 2011, Section 1435.29, as
21 amended by Section 7 of Enrolled Senate Bill No. 1704 of the 2nd
22 Session of the 53rd Oklahoma Legislature, is amended to read as
23 follows:

24 Section 1435.29. A. 1. Each insurance producer, with the
exception of title producers and aircraft title producers or any
other producer exempt by rule, shall, biennially, complete not less

1 than twenty-one (21) clock hours of continuing insurance education.
2 Such education may include a written or oral examination.

3 2. Each customer service representative shall, biennially,
4 complete not less than ten (10) clock hours of continuing insurance
5 education.

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

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

16 B. 1. The Insurance Commissioner shall approve courses and
17 providers of continuing education. The Insurance Department may use
18 one or more of the following to review and provide a nonbinding
19 recommendation to the Insurance Commissioner on approval or
20 disapproval of courses and providers of continuing education:

- 21 a. employees of the Insurance Commissioner,
- 22 b. a continuing education advisory committee, or
- 23 c. an independent service whose normal business
24 activities include the review and approval of

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

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

20 The Insurance Commissioner may certify providers and courses
21 offered for license examination study. The Insurance Department
22 shall use employees of the Insurance Commissioner to review and
23 certify license examination study program providers and courses.
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1 2. Each insurance company shall be allowed to provide
2 continuing education to insurance producers and customer service
3 representatives as required by this section; provided that such
4 continuing education meets the general standards for education
5 otherwise established by the Insurance Commissioner. Courses and
6 programs offered online for continuing education credit or
7 presumptive continuing education credit shall be designed to present
8 materials in such a manner that allows the participant to complete
9 the entire material without a proctor or monitor for either the
10 course of program or the written examination.

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

15 The curriculum for the program shall total a minimum of twenty-
16 four (24) hours within a twenty-four-month period. Each approved
17 professional designation program included in this section shall be
18 reviewed for quality and compliance every three (3) years in
19 accordance with standardized criteria promulgated by rule.

20 Continuation of approved status is contingent upon the findings of
21 the review. The list of professional designation programs approved
22 under this paragraph shall be made available to producers and
23 providers annually.

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1 4. The Insurance Department may promulgate rules providing that
2 courses or programs offered by professional associations shall
3 qualify for presumptive continuing education credit approval. The
4 rules shall include standardized criteria for reviewing the
5 professional associations' mission, membership, and other relevant
6 information, and shall provide a procedure for the Department to
7 disallow all or part of a presumptively approved course. Courses
8 and programs offered online for continuing education credit or
9 presumptive continuing education credit shall be designed to present
10 materials in such a manner that allows the participant to complete
11 the entire material without a proctor or monitor for either the
12 course or program or the written examination. Professional
13 association courses approved in accordance with this paragraph shall
14 be reviewed every three (3) years to determine whether they continue
15 to qualify for continuing education credit.

16 5. Subject to approval by the Commissioner, the active
17 membership of the licensed producer or broker in local, regional,
18 state, or national professional insurance organizations or
19 associations may be approved for up to one (1) annual hour of
20 instruction. The hour shall be credited upon timely filing with the
21 Commissioner, or designee of the Commissioner, and appropriate
22 written evidence acceptable to the Commissioner of such active
23 membership in the organization or association.

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

5 C. 1. Annual fees and course submission fees shall be set
6 forth as a rule by the Commissioner. The fees are payable to the
7 Insurance Commissioner. Provided, public-funded educational
8 institutions, federal agencies, nonprofit organizations, not-for-
9 profit organizations, and Oklahoma state agencies shall be exempt
10 from this subsection.

11 2. The Commissioner may assess a civil penalty, after notice
12 and opportunity for hearing, against a continuing education provider
13 who fails to comply with the requirements of the Oklahoma Producer
14 Licensing Act, of not less than One Hundred Dollars (\$100.00) nor
15 more than Five Hundred Dollars (\$500.00), for each occurrence. The
16 civil penalty may be enforced in the same manner in which civil
17 judgments may be enforced.

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

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

6 F. Members of the Legislature shall be exempt from this
7 section.

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

10 SECTION 2. This act shall become effective July 1, 2012.

11 SECTION 3. It being immediately necessary for the preservation
12 of the public peace, health and safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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