

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL 965

6 By: Brown

7 COMMITTEE SUBSTITUTE

8 An Act relating to regulatory matters of the
9 Insurance Commissioner; amending 36 O.S. 2001,
10 Sections 1435.6, as last amended by Section 24,
11 Chapter 176, O.S.L. 2009, 1435.7, as last amended by
12 Section 25, Chapter 176, O.S.L. 2009, 1435.9, as last
13 amended by Section 26, Chapter 176, O.S.L. 2009,
14 1435.23, as last amended by Section 12, Chapter 432,
15 O.S.L. 2009 and 1435.29, as last amended by Section
16 13, Chapter 432, O.S.L. 2009 (36 O.S. Supp. 2010,
17 Sections 1435.6, 1435.7, 1435.8, 1435.23 and
18 1435.29), which relate to the Oklahoma Producer
19 Licensing Act; modifying time period for taking
20 certain examination; modifying licensure requirement;
21 reducing time period for reinstatement of certain
22 license without taking an examination; eliminating
23 fee for the insurance producer's provisional license;
24 modifying certain continuing education requirements;
amending 36 O.S. 2001, 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 time period relating to the exemption of
examination requirement for an adjuster's license;
modifying classes of business for purposes of the
insurance adjuster license; modifying examination
process for the insurance adjuster license; modifying
certain continuing education requirements; repealing
Section 11, Chapter 125, O.S.L. 2007 (36 O.S. Supp.
2010, Section 1435.7a), which relates to resident

1 provisional insurance producer license; and declaring
2 an emergency.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. AMENDATORY 36 O.S. 2001, Section 1435.6, as
6 last amended by Section 24, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
7 2010, Section 1435.6), is amended to read as follows:

8 Section 1435.6 A. A resident individual applying for an
9 insurance producer license shall pass a written examination unless
10 exempt pursuant to Section 1435.10 of this title. The examination
11 shall test the knowledge of the individual concerning the lines of
12 authority for which application is made, the duties and
13 responsibilities of an insurance producer and the insurance laws and
14 regulations of this state. Examinations required by this section
15 shall be developed and conducted under rules and regulations
16 prescribed by the Insurance Commissioner.

17 B. The Commissioner may make arrangements, including
18 contracting with an outside testing service, for administering
19 examinations and collecting the nonrefundable fee set forth in
20 Section 1435.23 of this title.

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

1 D. After completion and filing of the application with the
2 Insurance Commissioner, except as provided in Section 1435.10 of
3 this title, the Commissioner shall subject each applicant for
4 license as an insurance agent, insurance consultant, limited
5 insurance representative, or customer service representative to an
6 examination approved by the Commissioner as to competence to act as
7 a licensee, which each applicant shall personally take and pass to
8 the satisfaction of the Commissioner. The Commissioner may accept
9 examinations administered by a testing service as satisfying the
10 examination requirements of persons seeking license as agents,
11 solicitors, counselors, or adjusters under the Oklahoma Insurance
12 Code. The Commissioner may negotiate agreements with such testing
13 services to include performance of examination development, test
14 scheduling, examination site arrangements, test administration,
15 grading, reporting, and analysis. The Commissioner may require such
16 testing services to correspond directly with the applicants with
17 regard to the administration of such examinations and that such
18 testing services collect fees for administering such examinations
19 directly from the applicants. The Commissioner may stipulate that
20 any agreements with such testing services provide for the
21 administration of examinations in specific locales and at specified
22 frequencies. The Commissioner shall retain the authority to
23 establish the scope and type of all examinations.

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

3 F. Each examination for a license shall be approved for use by
4 the Commissioner and shall reasonably test the knowledge of the
5 applicant as to the lines of insurance, policies, and transactions
6 to be handled pursuant to the license applied for, the duties and
7 responsibilities of the licensee, and the pertinent insurance laws
8 of this state.

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

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

14 I. The applicant shall pass the examination with a grade
15 determined by the Commissioner to indicate satisfactory knowledge
16 and understanding of the line or lines of insurance for which the
17 applicant seeks qualification. Within ten (10) days after the
18 examination, the Commissioner shall inform the applicant and the
19 appointing insurer, when applicable, as to whether or not the
20 applicant has passed. Formal evidence of licensing shall be issued
21 by the Commissioner to the licensee within a reasonable time.

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

3 K. An applicant who has failed to pass the first two
4 examinations for the license applied for shall not be permitted to
5 take a subsequent examination until the expiration of thirty (30)
6 days after the last previous examination. ~~An applicant shall take
7 and pass the examination within one hundred eighty (180) days of the
8 date of the initial application. If applicant fails to pass the
9 examination within the specified time period, the applicant shall
10 submit a new application accompanied by any applicable fees.~~
11 Examination fees for subsequent examinations shall not be waived.

12 L. An applicant for a license as a resident surplus lines
13 broker shall have passed the property and casualty insurance
14 examination on the line or lines of insurance to be written to
15 qualify for a surplus lines broker license.

16 SECTION 2. AMENDATORY 36 O.S. 2001, Section 1435.7, as
17 last amended by Section 25, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
18 2010, Section 1435.7), is amended to read as follows:

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

1 individual's knowledge and belief. Before approving the
2 application, the Insurance Commissioner shall find that the
3 individual:

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

15 B. A business entity acting as an insurance producer is
16 required to obtain an insurance producer license. Application shall
17 be made using the Uniform Business Entity Application or an
18 application approved by the Commissioner. Before approving the
19 application, the Insurance Commissioner shall find that:

- 20 1. The business entity has paid the fees set forth in Section
21 1435.23 of this title;
- 22 2. The business entity has designated a licensed producer
23 responsible for the business entity's compliance with the insurance
24 laws, rules and regulations of this state;

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

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

9 C. An applicant for any license required by the provisions of
10 the Oklahoma Producer Licensing Act shall demonstrate to the
11 Insurance Commissioner that the applicant is competent, trustworthy,
12 financially responsible, and of good personal and business
13 reputation.

14 D. The Insurance Commissioner may require any documents
15 reasonably necessary to verify the information contained in an
16 application.

17 SECTION 3. AMENDATORY 36 O.S. 2001, Section 1435.8, as
18 last amended by Section 26, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
19 2010, Section 1435.8), is amended to read as follows:

20 Section 1435.8 A. Unless denied licensure pursuant to Section
21 1435.13 of this title, persons who have met the requirements of
22 Sections 1435.6 and 1435.7 of this title shall be issued an
23 insurance producer license. An insurance producer may receive
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1 qualification for a license in one or more of the following lines of
2 authority:

3 1. Life - insurance coverage on human lives including benefits
4 of endowment and annuities, and may include benefits in the event of
5 death or dismemberment by accident and benefits for disability
6 income;

7 2. Accident and health or sickness - insurance coverage for
8 sickness, bodily injury or accidental death and may include benefits
9 for disability income;

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

12 4. Casualty - insurance coverage against legal liability,
13 including that for death, injury or disability or damage to real or
14 personal property;

15 5. Variable life and variable annuity products - insurance
16 coverage provided under variable life insurance contracts and
17 variable annuities;

18 6. Personal lines - property and casualty insurance coverage
19 sold to individuals and families for primarily noncommercial
20 purposes;

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

23 8. Credit - limited line credit insurance;

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1 9. Title insurance - insurance coverage that insures or
2 guarantees the title to real or personal property or any interest
3 therein or encumbrance thereon;

4 10. Aircraft title insurance - insurance coverage that protects
5 an aircraft owner or lender against loss of the aircraft or priority
6 security position in the event of a successful adverse claim on the
7 title to an aircraft; and

8 11. Any other line of insurance permitted under state laws or
9 regulations.

10 B. An insurance producer license shall remain in effect unless
11 revoked or suspended as long as the fee set forth in Section 1435.23
12 of this title is paid and education requirements for resident
13 individual producers are met by the due date.

14 C. An individual insurance producer who allows the license to
15 lapse may, within ~~twenty-four (24)~~ twelve (12) months from the due
16 date of the renewal fee, reinstate the same license without the
17 necessity of passing a written examination unless the license was
18 revoked, suspended, or continuation thereof was refused by the
19 Commissioner. However, a penalty in the amount of double the unpaid
20 renewal fee shall be required for any renewal fee received after the
21 due date. Continuing education requirements must be kept current.

22 D. A licensed insurance producer who is unable to comply with
23 license renewal procedures due to military service or some other
24 extenuating circumstance, such as a long-term medical disability,

1 may request a waiver of those procedures. The producer may also
2 request a waiver of any examination requirement or any other fine or
3 sanction imposed for failure to comply with renewal procedures.

4 E. The license shall contain the licensee's name, address,
5 personal identification number, and the date of issuance, the lines
6 of authority, the expiration date and any other information the
7 Insurance Commissioner deems necessary.

8 F. Licensees shall inform the Insurance Commissioner by any
9 means acceptable to the Insurance Commissioner of a change of legal
10 name or address within thirty (30) days of the change. A change in
11 legal name or address submitted more than thirty (30) days after the
12 change must include an administrative fee of Fifty Dollars (\$50.00).
13 Failure to provide acceptable notification of a change of legal name
14 or address to the Insurance Commissioner within forty-five (45) days
15 of the date the administrative fee is assessed will result in
16 penalties pursuant to Section 1435.13 of this title.

17 G. In order to assist in the performance of the Insurance
18 Commissioner's duties, the Insurance Commissioner may contract with
19 nongovernmental entities, including the National Association of
20 Insurance Commissioners (NAIC) or any affiliates or subsidiaries
21 that the NAIC oversees, to perform any ministerial functions,
22 including the collection of fees, related to producer licensing that
23 the Insurance Commissioner and the nongovernmental entity may deem
24 appropriate.

1 H. The Commissioner may participate, in whole or in part, with
2 the National Association of Insurance Commissioners, or any
3 affiliates or subsidiaries the National Association of Insurance
4 Commissioners oversees, in a centralized producer license registry
5 where insurance producer licenses and appointments may be centrally
6 or simultaneously effected for all states that require an insurance
7 producer license and participate in such centralized producer
8 license registry. If the Commissioner finds that participation in
9 such a centralized producer license registry is in the public
10 interest, the Commissioner may adopt by rule any uniform standards
11 or procedures as are necessary to participate in the registry. This
12 includes the central collection of all fees for licenses or
13 appointments that are processed through the registry.

14 SECTION 4. AMENDATORY 36 O.S. 2001, Section 1435.23, as
15 last amended by Section 12, Chapter 432, O.S.L. 2009 (36 O.S. Supp.
16 2010, Section 1435.23), is amended to read as follows:

17 Section 1435.23 A. All applications shall be accompanied by
18 the applicable fees. An appointment may be deemed by the
19 Commissioner to have terminated upon failure by the insurer to pay
20 the prescribed renewal fee. The Commissioner may also by order
21 impose a civil penalty equal to double the amount of the unpaid
22 renewal fee.

23 The Insurance Commissioner shall collect in advance the
24 following fees and licenses:

- 1 accounts or agreements, as provided for
- 2 in Section 6061 of this title..... \$ 60.00
- 3 c. Limited lines producer biennial license..... \$ 40.00
- 4 d. Temporary license as agent..... \$ 20.00
- 5 e. Managing general agent's biennial
- 6 license..... \$ 60.00
- 7 f. Surplus lines broker's biennial license..... \$100.00
- 8 g. Insurance vending machine, each machine,
- 9 biennial fee..... \$100.00
- 10 h. Insurance consultant's biennial license,
- 11 resident or nonresident..... \$100.00
- 12 i. Customer service representative biennial
- 13 license..... \$ 40.00
- 14 ~~j. Insurance producer's provisional license \$ 20.00~~
- 15 5. Biennial fee for each appointed insurance
- 16 producer, managing general agent, or limited
- 17 lines producer by insurer, each license of
- 18 each insurance producer or representative \$55.00
- 19 6. Renewal fee for all licenses shall be the same as the
- 20 current initial license fee.
- 21 7. The fee for a duplicate license shall be one-half (1/2) the
- 22 fee of an original license.
- 23
- 24

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

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

7 B. If for any reason an insurance producer license or
8 appointment is not issued or renewed by the Commissioner, all fees
9 accompanying the appointment or application for the license shall be
10 deemed earned and shall not be refundable except as provided in
11 Section 352 of this title.

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

15 SECTION 5. AMENDATORY 36 O.S. 2001, Section 1435.29, as
16 last amended by Section 13, Chapter 432, O.S.L. 2009 (36 O.S. Supp.
17 2010, Section 1435.29), is amended to read as follows:

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

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

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

- 23 a. employees of the Insurance Commissioner,
- 24 b. a continuing education advisory committee, or

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

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

23 The Insurance Commissioner may certify providers and courses
24 offered for license examination study. The Insurance Department

1 shall use employees of the Insurance Commissioner to review and
2 certify license examination study program providers and courses.

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

8 3. An insurance producer who, during the time period prior to
9 renewal, participates in an approved professional designation
10 program shall be deemed to have met the biennial requirement for
11 continuing education.

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

20 4. The Insurance Department may promulgate rules providing that
21 courses or programs offered by professional associations shall
22 qualify for presumptive continuing education credit approval. The
23 rules shall include standardized criteria for reviewing the
24 professional associations' mission, membership, and other relevant

1 information, and shall provide a procedure for the Department to
2 disallow all or part of a presumptively approved course.

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

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

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

18 C. Annual fees and course submission fees shall be set forth as
19 a rule by the Commissioner. The fees are payable to the Insurance
20 Commissioner. Provided, public-funded educational institutions,
21 federal agencies, nonprofit organizations, not-for-profit
22 organizations, and Oklahoma state agencies shall be exempt from this
23 subsection.

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

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

11 F. Members of the Legislature shall be exempt from this
12 section.

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

15 SECTION 6. AMENDATORY 35 O.S. 2001, Section 6208, as
16 last amended by Section 44, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
17 2010, Section 6208), is amended to read as follows:

18 Section 6208. A. Each applicant for a license as an adjuster
19 shall, prior to issuance of said license, personally take and pass,
20 to the satisfaction of the Commissioner, an examination approved by
21 the Commissioner as a test of the qualifications and competency of
22 the applicant.

23 B. The requirement of an examination shall not apply to the
24 following:

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

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

6 3. Any applicant for a license covering the same class or
7 classes of insurance for which the applicant was licensed in this
8 state pursuant to a similar license during the ~~twenty four month~~
9 twelve month period immediately preceding the date of application,
10 unless said previous license was revoked or suspended, or
11 continuation of the license was refused by the Commissioner; or

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

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

21 Section 6209. A. Each examination for a license as an adjuster
22 shall be prescribed by the Commissioner and shall be of sufficient
23 scope to reasonably test the knowledge of the applicant as to the
24 kinds of insurance contracts which may be dealt with in accordance

1 with the license applied for, the duties and responsibilities of
2 insurers pursuant to said contracts and pursuant to the laws of this
3 state applicable to the adjusting claims of losses in accordance
4 with the license applied for.

5 B. An applicant for a license as an adjuster may qualify in
6 any one of the following classes of insurance or combinations
7 thereof, and the license when issued may be limited to cover
8 adjusting in any one of the following classes of insurance or
9 combinations thereof. The application for a license shall specify
10 which of the following classes of business the application and
11 license are to cover:

12 1. ~~motor vehicle physical damage, meaning~~ Property, including
13 but not limited to marine, inland marine, aircraft and damages to
14 all land motor vehicles and trailers whether or not covered by first
15 party physical damage coverages or property damage liability
16 coverages; or

17 2. ~~fire and allied lines, including marine, inland marine, and~~
18 ~~aircraft, or~~

19 3. ~~casualty~~ Casualty, meaning all lines of liability insurance
20 coverages for bodily injuries, personal injury, and property
21 damages; or

22 4. ~~workers'~~ Workers' compensation; or

23 5. ~~crime~~ Crime and fidelity bonds; or

24 6. ~~crop/hail~~ Crop/hail; or

1 6. Multi-peril crop.

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

7 SECTION 8. AMENDATORY 36 O.S. 2001, Section 6210, as
8 last amended by Section 46, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
9 2010, Section 6210), is amended to read as follows:

10 Section 6210. A. The answers of the applicant to any
11 examination for licensing as an adjuster shall be written by the
12 applicant under supervision of the Insurance Commissioner or an
13 administrator approved by the Insurance Commissioner.

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

16 C. An applicant who has failed to pass the first ~~examination~~
17 two examinations for the license ~~for which applied may take a second~~
18 ~~examination within~~ for shall not be permitted to take a subsequent
19 examination until the expiration of thirty (30) days ~~following the~~
20 ~~first~~ after the last examination. ~~An applicant who has failed to~~
21 ~~pass the first two examinations for the license for which applied~~
22 ~~shall not be permitted to take a subsequent examination until the~~
23 ~~expiration of thirty (30) days after the last previous examination.~~
24 ~~An applicant shall take and pass the examination within one hundred~~

1 ~~eighty (180) days of the date of the initial application. If the~~
2 ~~applicant fails to pass an examination within the specified time~~
3 ~~period, the applicant shall submit a new application accompanied by~~
4 ~~any applicable fees. Examination fees for subsequent examinations~~
5 shall not be waived.

6 SECTION 9. AMENDATORY 36 O.S. 2001, Section 6217, as
7 last amended by Section 2, Chapter 355, O.S.L. 2010 (36 O.S. Supp.
8 2010, Section 6217), is amended to read as follows:

9 Section 6217. A. All licenses issued pursuant to the
10 provisions of the Insurance Adjusters Licensing Act shall continue
11 in force not longer than twenty-four (24) months. The renewal dates
12 for the licenses may be staggered throughout the year by notifying
13 licensees in writing of the expiration and renewal date being
14 assigned to the licensees by the Insurance Commissioner and by
15 making appropriate adjustments in the biennial licensing fee.

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

1 The Insurance Department may use one or more of the following to
2 review and provide a nonbinding recommendation to the Insurance
3 Commissioner on approval or disapproval of courses and providers of
4 continuing education:

5 1. Employees of the Insurance Commissioner;

6 2. A continuing education advisory committee. The continuing
7 education advisory committee is separate and distinct from the
8 Advisory Board established by Section 6221 of this title;

9 3. An independent service whose normal business activities
10 include the review and approval of continuing education courses and
11 providers. The Commissioner may negotiate agreements with such
12 independent service to review documents and other materials
13 submitted for approval of courses and providers and present the
14 Commissioner with its nonbinding recommendation. The Commissioner
15 may require such independent service to collect the fee charged by
16 the independent service for reviewing materials provided for review
17 directly from the course providers.

18 C. An adjuster who, during the time period prior to renewal,
19 participates in an approved professional designation program shall
20 be deemed to have met the biennial requirement for continuing
21 education. Each course in the curriculum for the program shall
22 total a minimum of twenty (20) hours. Each approved professional
23 designation program included in this section shall be reviewed for
24 quality and compliance every three (3) years in accordance with

1 standardized criteria promulgated by rule. Continuation of approved
2 status is contingent upon the findings of the review. The list of
3 professional designation programs approved under this subsection
4 shall be made available to producers and providers annually.

5 D. A claims adjuster for any insurer duly authorized to
6 transact workers' compensation insurance shall complete six (6)
7 hours of continuing education relating to the Workers' Compensation
8 Act as part of the twenty-four (24) clock hours of continuing
9 insurance education.

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

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

24

1 G. Each provider of continuing education shall, after approval
2 by the Commissioner, submit an annual fee. A fee may be assessed
3 for each course submission at the time it is first submitted for
4 review and upon submission for renewal at expiration. Annual fees
5 and course submission fees shall be set forth as a rule by the
6 Commissioner. The fees are payable to the Insurance Commissioner
7 and shall be deposited in the State Insurance Commissioner Revolving
8 Fund, created in subsection C of Section 1435.23 of this title, for
9 the purposes of fulfilling and accomplishing the conditions and
10 purposes of the Oklahoma Producer Licensing Act and the Insurance
11 Adjusters Licensing Act. 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 H. Subject to the right of the Commissioner to suspend, revoke,
16 or refuse to renew a license of an adjuster, any such license may be
17 renewed by filing on the form prescribed by the Commissioner on or
18 before the expiration date a written request by or on behalf of the
19 licensee for such renewal and proof of completion of the continuing
20 education requirement set forth in subsection B of this section,
21 accompanied by payment of the renewal fee.

22 I. If the request, proof of compliance with the continuing
23 education requirement and fee for renewal of a license as an
24 adjuster are filed with the Commissioner prior to the expiration of

1 the existing license, the licensee may continue to act pursuant to
2 said license, unless revoked or suspended prior to the expiration
3 date, until the issuance of a renewal license or until the
4 expiration of ten (10) days after the Commissioner has refused to
5 renew the license and has mailed notice of said refusal to the
6 licensee. Any request for renewal filed after the date of
7 expiration may be considered by the Commissioner as an application
8 for a new license.

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

11 SECTION 11. 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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