

1 STATE OF OKLAHOMA

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

3 SENATE BILL 397

By: Stanislawski

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5
6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2001,
8 Section 1435.29, as last amended by Section 13,
9 Chapter 432, O.S.L. 2009 (36 O.S. Supp. 2010, Section
10 1435.29), which relates to continuing education;
11 providing online course be of certain design;
12 eliminating course proctor; providing an effective
13 date; and declaring an emergency.

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

15 SECTION 1. 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~~ the thirty-day period, the recommendation made to
21 the 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. Courses and
8 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.

13 3. An insurance producer who, during the time period prior to
14 renewal, participates in an approved professional designation
15 program shall be deemed to have met the biennial requirement for
16 continuing education.

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

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

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

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

22 F. Members of the Legislature shall be exempt from this
23 section.

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

3 SECTION 2. This act shall become effective July 1, 2011.

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

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