

1 STATE OF OKLAHOMA

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

3 SENATE BILL 407

By: Brown

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5  
6 AS INTRODUCED

7 An Act relating to continuing education for insurance  
8 producers; amending 36 O.S. 2001, Section 1435.29, as  
9 last amended by Section 13, Chapter 432, O.S.L. 2009  
10 (36 O.S. Supp. 2010, Section 1435.29), which relates  
11 to continuing education; specifying courses or  
12 programs of instruction that qualifies for the  
13 continuing education requirement; eliminating the use  
14 of professional designation programs; and providing  
15 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  
producer is licensed. Such education may include a written or oral  
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 successfully completes any one of the following courses or  
11 programs of instruction and equivalent classroom hours approved by  
12 the Insurance Commissioner shall be deemed to have met the biennial  
13 requirement for continuing education:

14 a. any part of a life course curriculum totaling fifty  
15 (50) classroom hours, or a health course totaling  
16 twenty-six (26) classroom hours offered by the Life  
17 Underwriter Training Council,

18 b. any part of the American College diploma curriculum  
19 for Chartered Life Underwriters (CLU), Registered  
20 Health Underwriters (RHU), Chartered Financial  
21 Consultants (ChFC), or Registered Employee Benefits  
22 Consultants (REBC), totaling thirty (30) classroom  
23 hours,

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- 1        c. any part of the Accredited Advisor in Insurance (AAI)  
2        program totaling twenty-five (25) classroom hours  
3        offered by the Insurance Institute of America,  
4        d. any part of the Chartered Property and Casualty  
5        Underwriter (CPCU) professional designation program  
6        totaling thirty (30) classroom hours offered by the  
7        American Institute of Property and Liability  
8        Underwriters, or  
9        e. any part of the Certified Insurance Counselor Program  
10       totaling twenty (20) classroom hours.

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

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

1 ~~disallow all or part of a presumptively approved course.~~  
2 ~~Professional association courses approved in accordance with this~~  
3 ~~paragraph shall be reviewed every three (3) years to determine~~  
4 ~~whether they continue to qualify for continuing education credit.~~

5 ~~5.~~ 4. Subject to approval by the Commissioner, the active  
6 membership of the licensed producer or broker in local, regional,  
7 state, or national professional insurance organizations or  
8 associations may be approved for up to one (1) annual hour of  
9 instruction. The hour shall be credited upon timely filing with the  
10 Commissioner, or designee of the Commissioner, and appropriate  
11 written evidence acceptable to the Commissioner of such active  
12 membership in the organization or association.

13 ~~6.~~ 5. The active service of a licensed producer as a member of  
14 a continuing education advisory committee, as described in paragraph  
15 1 of this subsection, shall be deemed to qualify for continuing  
16 education credit on an hour-for-hour basis.

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

23 D. Failure of an insurance producer or customer service  
24 representative to comply with the requirements of the Oklahoma

1 Producer Licensing Act may, after notice and opportunity for  
2 hearing, result in censure, suspension, nonrenewal of license or a  
3 civil penalty of up to Five Hundred Dollars (\$500.00) or by both  
4 such penalty and civil penalty. Said civil penalty may be enforced  
5 in the same manner in which civil judgments may be enforced.

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

9 F. Members of the Legislature shall be exempt from this  
10 section.

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

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

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