

# An Act

ENROLLED SENATE  
BILL NO. 1000

By: Jolley and Stanislawski of  
the Senate

and

Grau of the House

An Act relating to limited licenses issued to rental or leasing companies; amending 36 O.S. 2011, Section 1435.20, which relates to limited lines producers; allowing car rental company employees to provide coverage without being individually licensed; amending 36 O.S. 2011, Section 1435.23, which relates to fees for limited licenses; modifying car rental limited lines fees; amending 36 O.S. 2011, Section 1435.41, which relates to appointment termination of insurance producers; requiring insurers to provide information to certain insurance providers; and providing an effective date.

SUBJECT: Limited lines producers

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

SECTION 1. AMENDATORY 36 O.S. 2011, Section 1435.20, is amended to read as follows:

Section 1435.20. A. A limited lines producer may receive qualification for a license in one or more of the following categories:

1. Prepaid legal liability insurance, which means the assumption of an enforceable contractual obligation to provide

specified legal services or to reimburse policyholders for specified legal expenses, pursuant to the provisions of a group or individual policy;

2. Crop - insurance providing protection against damage to crops from unfavorable weather conditions, fire or lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or perils provided by the private insurance market, or that is subsidized by the Federal Crop Insurance Corporation, including Multi-Peril Crop Insurance;

3. Car rental - insurance offered, sold or solicited in connection with and incidental to the rental of rental cars for a period of two (2) years, whether at the rental office or by preselection of coverage in master, corporate, group or individual agreements that:

- a. is nontransferable,
- b. applies only to the rental car that is the subject of the rental agreement, and
- c. is limited to the following kinds of insurance:
  - (1) personal accident insurance for renters and other rental car occupants, for accidental death or dismemberment, and for medical expenses resulting from an accident that occurs with the rental car during the rental period,
  - (2) liability insurance that provides protection to the renters and other authorized drivers of a rental car for liability arising from the operation or use of the rental car during the rental period,
  - (3) personal effects insurance that provides coverage to renters and other vehicle occupants for loss of, or damage to, personal effects in the rental car during the rental period,

- (4) roadside assistance and emergency sickness protection insurance, or
- (5) any other coverage designated by the Insurance Commissioner.

A car rental limited lines license issued to a rental or leasing company shall authorize any employee or authorized representative of the rental or leasing company to sell or offer coverage at each location at which the rental or leasing company operates. Employees or authorized representatives are not required to be individually licensed;

4. Credit - credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, or any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation and that is designated by the Insurance Commissioner as limited line credit insurance;

5. Surety - insurance or bond that covers obligations to pay the debts of, or answer for the default of another, including faithlessness in a position of public or private trust. For purpose of limited line licensing, surety does not include surety bail bonds; and

6. Travel - insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.

B. 1. An insurance producer or limited lines producer may solicit applications for and issue travel accident policies or baggage insurance by means of mechanical vending machines supervised by the insurance producer or limited lines producer only if the Insurance Commissioner shall determine that the form of policy to be sold is reasonably suited for sale and issuance through vending machines, that use of vending machines for the sale of said policies would be of convenience to the public, and that the type of vending machine to be used is reasonably suitable and practical for the sale

and issuance of said policies. Policies so sold do not have to be countersigned.

2. The Commissioner shall issue to the insurance agent or limited insurance representative a special vending machine license for each such machine to be used. The license shall specify the name and address of the insurer and licensee, the kind of insurance and type of policy to be sold, and the place where the machine is to be in operation. The license shall expire, be renewable, and be suspended or revoked coincidentally with the insurance agent license or limited representative license of the licensee. The license fee for each vending machine shall be that stated in the provisions of Section 1435.23 of this title. Proof of existence of the license shall be displayed on or about each machine in such manner as the Commissioner may reasonably require.

SECTION 2. AMENDATORY 36 O.S. 2011, Section 1435.23, is amended to read as follows:

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

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

1. For filing appointment of Insurance Commissioner as agent for service of process..... \$ 20.00
2. Miscellaneous:
  - ~~a. Certificate and Clearance of Commissioner..... \$ 3.00~~
  - ~~b.~~
  - a. Insurance producer's study manual:
    - (1) Life, Accident & Health..... not to exceed

\$ 40.00

(2) Property and Casualty..... not to exceed

\$ 40.00

~~e.~~

b. For filing organizational documents of  
an entity applying for a license as an  
insurance producer..... \$ 20.00

3. Examination for license:

For each examination covering laws  
and one or more lines of insurance.... not to exceed

\$100.00

4. Licenses:

a. Insurance producer's biennial license..... \$ 60.00

b. Nonresident insurance producer's  
biennial license..... \$100.00

c. Insurance producer's biennial license  
for sale or solicitation of variable  
insurance products..... \$ 60.00

d. Limited lines producer biennial license..... \$ 40.00

e. Nonresident limited lines producer  
biennial license..... \$100.00

f. (1) Car rental limited lines biennial  
license, one or two locations,  
resident or nonresident..... \$ 40.00

(2) Car rental limited lines biennial license, three or more locations, resident or nonresident..... \$500.00

~~e.~~

g. Temporary license as agent..... \$ 20.00

~~f.~~

h. Managing general agent's biennial license..... \$ 60.00

~~g.~~

i. Surplus lines broker's biennial license..... \$100.00

~~h.~~

j. Insurance vending machine, each machine, biennial fee..... \$100.00

~~i.~~

k. Insurance consultant's biennial license, resident or nonresident..... \$100.00

~~j.~~

l. Customer service representative biennial license..... \$ 40.00

5. Annual fee for each appointed insurance producer, managing general agent, or limited lines producer by insurer, each license of each insurance producer or representative..... \$30.00

6. Renewal fee for all licenses shall be the same as the current initial license fee.

7. The fee for a duplicate license shall be one-half (1/2) the fee of an original license.

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

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

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

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

SECTION 3 AMENDATORY 36 O.S. 2011, Section 1435.41, is amended to read as follows:

Section 1435.41. A. An insurer shall provide to any insurance producer authorized to sell life, accident or health insurance products, whose appointment has been terminated for any reason other than the reasons set forth in Section 1435.13 of ~~Title 36 of the Oklahoma Statutes and is still the agent of record or servicing agent and has not been replaced by another servicing agent upon termination~~ this title, information relating to the policy of the person who purchased a product from such producer if the insured has signed a form authorizing the release of the information.

B. The Insurance Commissioner shall prescribe the form required by subsection A of this section. The form shall be in compliance with federal and state laws and regulations relating to privacy.

C. This section shall not apply to any policy sold or serviced by the insurance producer while associated with the insurer's captive distribution system.

SECTION 4. This act shall become effective November 1, 2013.

Passed the Senate the 30th day of April, 2013.

\_\_\_\_\_  
Presiding Officer of the Senate

Passed the House of Representatives the 17th day of April, 2013.

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Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_