

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 54th Legislature (2013)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1000

By: Jolley of the Senate

and

Grau of the House

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10 COMMITTEE SUBSTITUTE

11 An Act relating to limited licenses issued to rental
12 or leasing companies; amending 36 O.S. 2011, Section
13 1435.20, which relates to limited lines producers;
14 allowing car rental company employees to provide
15 coverage without being individually licensed;
16 amending 36 O.S. 2011, Section 1435.23, which relates
17 to fees for limited licenses; modifying car rental
18 limited lines fees; amending 36 O.S, 2011, Section
19 1435.41, which relates to appointment termination of
20 insurance producers; requiring insurers to provide
21 information to certain insurance providers; and
22 providing an effective date.

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

24 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 1. Prepaid legal liability insurance, which means the
2 assumption of an enforceable contractual obligation to provide
3 specified legal services or to reimburse policyholders for specified
4 legal expenses, pursuant to the provisions of a group or individual
5 policy;

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

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

17 a. is nontransferable,

18 b. applies only to the rental car that is the subject of
19 the rental agreement, and

20 c. is limited to the following kinds of insurance:

21 (1) personal accident insurance for renters and other
22 rental car occupants, for accidental death or
23 dismemberment, and for medical expenses resulting
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1 from an accident that occurs with the rental car
2 during the rental period,

3 (2) liability insurance that provides protection to
4 the renters and other authorized drivers of a
5 rental car for liability arising from the
6 operation or use of the rental car during the
7 rental period,

8 (3) personal effects insurance that provides coverage
9 to renters and other vehicle occupants for loss
10 of, or damage to, personal effects in the rental
11 car during the rental period,

12 (4) roadside assistance and emergency sickness
13 protection insurance, or

14 (5) any other coverage designated by the Insurance
15 Commissioner,

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

22 4. Credit - credit life, credit disability, credit property,
23 credit unemployment, involuntary unemployment, mortgage life,
24 mortgage guaranty, mortgage disability, guaranteed automobile

1 protection insurance, or any other form of insurance offered in
2 connection with an extension of credit that is limited to partially
3 or wholly extinguishing that credit obligation and that is
4 designated by the Insurance Commissioner as limited line credit
5 insurance;

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

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

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

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

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

15 SECTION 2. AMENDATORY 36 O.S. 2011, Section 1435.23, is
16 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 c. Insurance producer's biennial license
- 2 for sale or solicitation of variable
- 3 insurance products..... \$ 60.00
- 4 d. Limited lines producer biennial license..... \$ 40.00
- 5 e. Nonresident limited lines producer
- 6 biennial license..... \$100.00
- 7 f. (1) Car rental limited lines biennial
- 8 license, one or two locations,
- 9 resident or nonresident..... \$100.00
- 10 (2) Car rental limited lines biennial
- 11 license, three or more locations,
- 12 resident or nonresident..... \$500.00
- 13 ~~e.~~
- 14 g. Temporary license as agent..... \$ 20.00
- 15 ~~f.~~
- 16 h. Managing general agent's biennial
- 17 license..... \$ 60.00
- 18 ~~g.~~
- 19 i. Surplus lines broker's biennial license..... \$100.00
- 20 ~~h.~~
- 21 j. Insurance vending machine, each machine,
- 22 biennial fee..... \$100.00
- 23 ~~i.~~
- 24

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

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

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

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

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

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

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23 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/01/2013 - DO
24 PASS, As Amended.