

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~~ personal
15 risks incident to planned travel, including, but not limited to:

- 16 a. interruption or cancellation of trip or event,
- 17 b. loss of baggage or personal effects,
- 18 c. damages to accommodations or rental vehicles, or
- 19 d. sickness, accident, disability or death occurring
20 during travel.

21 Travel insurance does not include major medical plans, which
22 provide comprehensive medical protections for travelers with trips
23 lasting six (6) months or longer, including, but not limited to,
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1 those working overseas as expatriate or military personnel deployed
2 overseas.

3 B. 1. An insurance producer or limited lines producer may
4 solicit applications for and issue travel accident policies or
5 baggage insurance by means of mechanical vending machines supervised
6 by the insurance producer or limited lines producer only if the
7 Insurance Commissioner shall determine that the form of policy to be
8 sold is reasonably suited for sale and issuance through vending
9 machines, that use of vending machines for the sale of ~~said~~ policies
10 would be of convenience to the public, and that the type of vending
11 machine to be used is reasonably suitable and practical for the sale
12 and issuance of ~~said~~ policies. Policies so sold do not have to be
13 countersigned.

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

3 SECTION 2. AMENDATORY 36 O.S. 2011, Section 1452, as
4 amended by Section 2, Chapter 269, O.S.L. 2013 (36 O.S. Supp. 2013,
5 Section 1452), is amended to read as follows:

6 Section 1452. A. On or before June 1 of each year, all
7 licensed administrators shall file an annual report for the previous
8 calendar year. The report shall have been reviewed by a certified
9 public accountant who shall be independent of the administrator.
10 The report shall be subscribed and sworn to by the president and
11 attested to by the secretary or other proper officers substantiating
12 that the information contained in the report is true and factual
13 concerning each of the plans they administer which are governed
14 pursuant to the provisions of the Third-party Administrator Act.
15 The report shall include the name and address of each fund and a
16 statement of fund equity, paid claims by the covered unit, the
17 accumulated year-to-date paid claims, and the year-to-date reserve
18 status. Failure of any third-party administrator to execute and
19 file the annual reports as required by this section shall constitute
20 cause, after notice and opportunity for hearing, for censure,
21 suspension, or revocation of administrator licensure to transact
22 business in this state, or a civil penalty of not less than One
23 Hundred Dollars (\$100.00) or more than One Thousand Dollars

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1 (\$1,000.00) for each occurrence, or both censure, suspension, or
2 revocation and civil penalty.

3 B. If a licensed administrator has had no business or activity
4 in the past calendar year, has not administered any insurance plans
5 or business in the past calendar year and no funds are under the
6 licensed administrator's oversight and administration, then the
7 annual report described in subsection A of this section may be
8 waived upon application to the Insurance Commissioner by the
9 administrator on a form prescribed by the Commissioner. Upon
10 applying for a waiver, the administrator shall state under oath that
11 the administrator has had no business, has not administered any
12 funds and the licensee's administration of premiums and claims has
13 been dormant for the past calendar year. The application must be
14 submitted no later than May 1st on the form prescribed by the
15 Commissioner.

16 SECTION 3. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 6680 of Title 36, unless there
18 is created a duplication in numbering, reads as follows:

19 As used in Sections 5 through 8 of this act:

- 20 1. "Limited Lines Travel Insurance Producer" means a:
- 21 a. licensed managing general underwriter,
 - 22 b. licensed managing general agent or third party
 - 23 administrator, or
- 24

1 c. licensed insurance producer, including a limited lines
2 producer, designated by an insurer as the travel
3 insurance supervising entity as set forth in Section 7
4 of this act;

5 2. "Offer and disseminate" means providing general information,
6 including a description of the coverage and price, as well as
7 processing the application, collecting premiums, and performing
8 other non-licensable activities permitted by the state;

9 3. "Travel insurance" has the same meaning as defined in
10 paragraph 6 of subsection A of Section 1435.20 of Title 36 of the
11 Oklahoma Statutes; and

12 4. "Travel retailer" means a business entity that makes,
13 arranges or offers travel services and may offer and disseminate
14 travel insurance as a service to its customers on behalf of and
15 under the direction of a Limited Lines Travel Insurance Producer.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 6681 of Title 36, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Notwithstanding any other provision of law, a Travel
20 Retailer may offer and disseminate Travel Insurance under a Limited
21 Lines Travel Insurance Producer business entity ("licensed business
22 entity") license only if the following conditions are met:

23 1. The Limited Lines Travel Insurance Producer or Travel
24 Retailer provides to purchasers of travel insurance:

- a. a description of the material terms or the actual material terms of the insurance coverage,
- b. a description of the process for filing a claim,
- c. a description of the review or cancellation process for the travel insurance policy, and
- d. the identity and contact information of the insurer and Limited Lines Travel Insurance Producer;

2. At the time of licensure, the Limited Lines Travel Insurance Producer shall establish and maintain a register on a form prescribed by the Insurance Commissioner of each Travel Retailer that offers Travel Insurance on the Limited Lines Travel Insurance Producer's behalf. The register shall be maintained and updated annually by the Limited Lines Travel Insurance Producer and shall include the name, address, and contact information of the Travel Retailer and an officer or person who directs or controls the Travel Retailer's operations, and the Travel Retailer's Federal Tax Identification Number. The Limited Lines Travel Insurance Producer shall submit such register to the Insurance Department upon reasonable request. The Limited Lines Travel Insurance Producer shall also certify that the Travel Retailer registered complies with 18 U.S.C. 1033 and Section 405 of Title 36 of the Oklahoma Statutes;

3. The Limited Lines Travel Insurance Producer has designated one of its employees who is a licensed individual producer as the person (a "Designated Responsible Producer" or "DRP") responsible

1 for the Limited Lines Travel Insurance Producer's compliance with
2 the travel insurance laws, rules and regulations;

3 4. The Limited Lines Travel Insurance Producer has paid all
4 applicable insurance producer licensing fees as set forth in Section
5 1435.23 of Title 36 of the Oklahoma Statutes;

6 5. The Limited Lines Travel Insurance Producer requires each
7 employee and authorized representative of the Travel Retailer whose
8 duties include offering and disseminating Travel Insurance to
9 receive a program of instruction or training, which may be subject
10 to review by the commissioner. The training material shall, at a
11 minimum, contain instructions on the types of insurance offered,
12 ethical sales practices, and required disclosures to prospective
13 customers.

14 B. Any Travel Retailer offering or disseminating travel
15 insurance shall make available to prospective purchasers brochures
16 or other written materials that:

17 1. Provide the identity and contact information of the insurer
18 and the Limited Lines Travel Insurance Producer;

19 2. Explain that the purchase of travel insurance is not
20 required in order to purchase any other product or service from the
21 Travel Retailer; and

22 3. Explain that an unlicensed Travel Retailer is permitted to
23 provide general information about the insurance offered by the
24 Travel Retailer, including a description of the coverage and price,

1 but is not qualified or authorized to answer technical questions
2 about the terms and conditions of the insurance offered by the
3 Travel Retailer or to evaluate the adequacy of the customer's
4 existing insurance coverage.

5 C. A Travel Retailer's employee or authorized representative
6 who is not licensed as an insurance producer may not:

7 1. Evaluate or interpret the technical terms, benefits, and
8 conditions of the offered travel insurance coverage;

9 2. Evaluate or provide advice concerning a prospective
10 purchaser's existing insurance coverage; or

11 3. Hold himself or herself out as a licensed insurer, licensed
12 producer, or insurance expert.

13 SECTION 5. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 6682 of Title 36, unless there
15 is created a duplication in numbering, reads as follows:

16 A Travel Retailer whose insurance-related activities, and those
17 of its employees and authorized representatives, are limited to
18 offering and disseminating Travel Insurance on behalf of and under
19 the direction of a Limited Lines Travel Insurance Producer meeting
20 the conditions stated in this act, is authorized to do so and
21 receive related compensation, upon registration by the Limited Lines
22 Travel Insurance Producer as described in paragraph 6 of subsection
23 A of Section 1 of this act.

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1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6683 of Title 36, unless there
3 is created a duplication in numbering, reads as follows:

4 Travel insurance may be provided under an individual policy or
5 under a group or master policy.

6 SECTION 7. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 6684 of Title 36, unless there
8 is created a duplication in numbering, reads as follows:

9 As the insurer designee, the Limited Lines Travel Insurance
10 Producer is responsible for the acts of the Travel Retailer and
11 shall use reasonable means to ensure compliance by the Travel
12 Retailer with this act.

13 SECTION 8. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 6685 of Title 36, unless there
15 is created a duplication in numbering, reads as follows:

16 The Limited Lines Travel Insurance Producer and any Travel
17 Retailer offering and disseminating travel insurance under the
18 Limited Lines Travel Insurance Producer License shall be subject to
19 Section 1203 of Title 36 of the Oklahoma Statutes.

20 SECTION 9. This act shall become effective November 1, 2014.

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22 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/03/2014 - DO
23 PASS.
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