

1 **SENATE FLOOR VERSION**

2 February 14, 2013

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1000

By: Jolley of the Senate

and

6 Grau of the House

7
8
9 An Act relating to limited licenses issued to rental
10 or leasing companies; amending 36 O.S. 2011, Section
11 1435.20, which relates to limited lines producers;
12 allowing car rental company employees to provide
13 coverage without being individually licensed;
14 amending 36 O.S. 2011, Section 1435.23, which relates
15 to fees for limited licenses; modifying car rental
16 limited lines fees; and providing an effective date.

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

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

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

23 1. Prepaid legal liability insurance, which means the
24 assumption of an enforceable contractual obligation to provide
specified legal services or to reimburse policyholders for specified

1 legal expenses, pursuant to the provisions of a group or individual
2 policy;

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

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

14 a. is nontransferable,

15 b. applies only to the rental car that is the subject of
16 the rental agreement, and

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

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

23 (2) liability insurance that provides protection to
24 the renters and other authorized drivers of a

1 rental car for liability arising from the
2 operation or use of the rental car during the
3 rental period,

4 (3) personal effects insurance that provides coverage
5 to renters and other vehicle occupants for loss
6 of, or damage to, personal effects in the rental
7 car during the rental period,

8 (4) roadside assistance and emergency sickness
9 protection insurance, or

10 (5) any other coverage designated by the Insurance
11 Commissioner~~+~~,l

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

18 4. Credit - credit life, credit disability, credit property,
19 credit unemployment, involuntary unemployment, mortgage life,
20 mortgage guaranty, mortgage disability, guaranteed automobile
21 protection insurance, or any other form of insurance offered in
22 connection with an extension of credit that is limited to partially
23 or wholly extinguishing that credit obligation and that is
24

1 designated by the Insurance Commissioner as limited line credit
2 insurance;

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

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

12 B. 1. An insurance producer or limited lines producer may
13 solicit applications for and issue travel accident policies or
14 baggage insurance by means of mechanical vending machines supervised
15 by the insurance producer or limited lines producer only if the
16 Insurance Commissioner shall determine that the form of policy to be
17 sold is reasonably suited for sale and issuance through vending
18 machines, that use of vending machines for the sale of said policies
19 would be of convenience to the public, and that the type of vending
20 machine to be used is reasonably suitable and practical for the sale
21 and issuance of said policies. Policies so sold do not have to be
22 countersigned.

23 2. The Commissioner shall issue to the insurance agent or
24 limited insurance representative a special vending machine license

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

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

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

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

- 21 1. For filing appointment of Insurance Commissioner
22 as agent for service of process..... \$ 20.00
23 2. Miscellaneous:
24

- 1 e. Nonresident limited lines producer
- 2 biennial license..... \$100.00
- 3 f. (1) Car rental limited lines biennial
- 4 license, one or two locations,
- 5 resident or nonresident..... \$100.00
- 6 (2) Car rental limited lines biennial
- 7 license, three or more locations,
- 8 resident or nonresident..... \$500.00
- 9 ~~e.~~
- 10 g. Temporary license as agent..... \$ 20.00
- 11 ~~f.~~
- 12 h. Managing general agent's biennial
- 13 license..... \$ 60.00
- 14 ~~g.~~
- 15 i. Surplus lines broker's biennial license..... \$100.00
- 16 ~~h.~~
- 17 j. Insurance vending machine, each machine,
- 18 biennial fee..... \$100.00
- 19 ~~i.~~
- 20 k. Insurance consultant's biennial license,
- 21 resident or nonresident..... \$100.00
- 22 ~~j.~~
- 23 l. Customer service representative biennial
- 24 license..... \$ 40.00

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

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

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

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

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

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

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

23 SECTION 3. This act shall become effective November 1, 2013.

24

1 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE
February 14, 2013 - DO PASS AS AMENDED

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24