

1 ENGROSSED SENATE  
2 BILL NO. 397

By: Stanislawski of the Senate

3 and

4 McDaniel (Randy) of the  
5 House

6  
7 [ insurance - continuing education - providing online  
8 course be of certain design - eliminating course  
9 proctor - effective date -  
10 emergency ]

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

12 SECTION 1. AMENDATORY 36 O.S. 2001, Section 1435.29, as  
13 last amended by Section 13, Chapter 432, O.S.L. 2009 (36 O.S. Supp.  
14 2010, Section 1435.29), is amended to read as follows:

15 Section 1435.29 A. 1. Each insurance producer, with the  
16 exception of title producers and aircraft title producers or any  
17 other producer exempt by rule, shall, biennially, complete not less  
18 than twenty-one (21) clock hours of continuing insurance education  
19 which shall cover subjects in the lines for which the insurance  
20 producer is licensed. Such education may include a written or oral  
21 examination.

22 2. Each customer service representative shall, biennially,  
23 complete not less than ten (10) clock hours of continuing insurance  
24 education which shall cover subjects in the lines for which the

1 licensee is authorized to conduct insurance-related business on  
2 behalf of the appointing agent, broker, or agency.

3 3. Licensees, with the exception of title producers and  
4 aircraft title producers or any other producer exempt by rule, shall  
5 complete, in addition to the foregoing, three (3) clock hours of  
6 ethics course work in this same period.

7 4. Each title producer and aircraft title producer shall,  
8 biennially, complete not less than sixteen (16) clock hours of  
9 continuing insurance education, two (2) hours of which shall be  
10 ethics course work, which shall cover the line for which the  
11 producer is licensed. Such education may include a written or oral  
12 examination.

13 B. 1. The Insurance Commissioner shall approve courses and  
14 providers of resident provisional producer prelicensing education  
15 and continuing education. The Insurance Department may use one or  
16 more of the following to review and provide a nonbinding  
17 recommendation to the Insurance Commissioner on approval or  
18 disapproval of courses and providers of resident provisional  
19 producer prelicensing education and continuing education:

- 20 a. employees of the Insurance Commissioner,
- 21 b. a continuing education advisory committee, or
- 22 c. an independent service whose normal business  
23 activities include the review and approval of  
24 continuing education courses and providers. The

1 Commissioner may negotiate agreements with such  
2 independent service to review documents and other  
3 materials submitted for approval of courses and  
4 providers and provide the Commissioner with its  
5 nonbinding recommendation. The Commissioner may  
6 require such independent service to collect the fee  
7 charged by the independent service for reviewing  
8 materials provided for review directly from the course  
9 providers.

10 The Insurance Commissioner has sole authority to approve courses  
11 and providers of resident provisional producer prelicensing  
12 education and continuing education. If the Insurance Commissioner  
13 uses one of the entities listed above to provide a nonbinding  
14 recommendation, the Commissioner shall adopt or decline to adopt the  
15 recommendation within thirty (30) days of receipt of the  
16 recommendation. In the event the Insurance Commissioner takes no  
17 action within ~~said~~ the thirty-day period, the recommendation made to  
18 the Commissioner will be deemed to have been adopted by the  
19 Commissioner.

20 The Insurance Commissioner may certify providers and courses  
21 offered for license examination study. The Insurance Department  
22 shall use employees of the Insurance Commissioner to review and  
23 certify license examination study program providers and courses.  
24

1        2. Each insurance company shall be allowed to provide  
2 continuing education to insurance producers and customer service  
3 representatives as required by this section; provided that such  
4 continuing education meets the general standards for education  
5 otherwise established by the Insurance Commissioner. Courses and  
6 programs offered online for continuing education credit or  
7 presumptive continuing education credit shall be designed to present  
8 materials in such a manner that allows the participant to complete  
9 the entire material without a proctor or monitor for either the  
10 course or program or the written examination.

11        3. An insurance producer who, during the time period prior to  
12 renewal, participates in an approved professional designation  
13 program shall be deemed to have met the biennial requirement for  
14 continuing education.

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

23        4. The Insurance Department may promulgate rules providing that  
24 courses or programs offered by professional associations shall

1 qualify for presumptive continuing education credit approval. The  
2 rules shall include standardized criteria for reviewing the  
3 professional associations' mission, membership, and other relevant  
4 information, and shall provide a procedure for the Department to  
5 disallow all or part of a presumptively approved course. Courses  
6 and programs offered online for continuing education credit or  
7 presumptive continuing education credit shall be designed to present  
8 materials in such a manner that allows the participant to complete  
9 the entire material without a proctor or monitor for either the  
10 course or program or the written examination. Professional  
11 association courses approved in accordance with this paragraph shall  
12 be reviewed every three (3) years to determine whether they continue  
13 to qualify for continuing education credit.

14 5. Subject to approval by the Commissioner, the active  
15 membership of the licensed producer or broker in local, regional,  
16 state, or national professional insurance organizations or  
17 associations may be approved for up to one (1) annual hour of  
18 instruction. The hour shall be credited upon timely filing with the  
19 Commissioner, or designee of the Commissioner, and appropriate  
20 written evidence acceptable to the Commissioner of such active  
21 membership in the organization or association.

22 6. The active service of a licensed producer as a member of a  
23 continuing education advisory committee, as described in paragraph 1  
24

1 of this subsection, shall be deemed to qualify for continuing  
2 education credit on an hour-for-hour basis.

3 C. Annual fees and course submission fees shall be set forth as  
4 a rule by the Commissioner. The fees are payable to the Insurance  
5 Commissioner. Provided, public-funded educational institutions,  
6 federal agencies, nonprofit organizations, not-for-profit  
7 organizations, and Oklahoma state agencies shall be exempt from this  
8 subsection.

9 D. Failure of an insurance producer or customer service  
10 representative to comply with the requirements of the Oklahoma  
11 Producer Licensing Act may, after notice and opportunity for  
12 hearing, result in censure, suspension, nonrenewal of license or a  
13 civil penalty of up to Five Hundred Dollars (\$500.00) or by both  
14 such penalty and civil penalty. ~~Said~~ The civil penalty may be  
15 enforced in the same manner in which civil judgments may be  
16 enforced.

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

20 F. Members of the Legislature shall be exempt from this  
21 section.

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

24 SECTION 2. This act shall become effective July 1, 2011.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 15th day of March, 2011.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2011.

Presiding Officer of the House  
of Representatives