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BILL NO. 397 By: Stanislawski of the Senate

McDaniel (Randy) of the House

[insurance - continuing education - providing online
course be of certain design - eliminating course
proctor - effective date -
emergency]

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

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

Section 1435.29 A. 1. Each insurance producer, with the exception of title producers and aircraft title producers or any other producer exempt by rule, shall, biennially, complete not less than twenty-one (21) clock hours of continuing insurance education which shall cover subjects in the lines for which the insurance

1 producer is licensed. Such education may include a written or oral
2 examination.

3 2. Each customer service representative shall, biennially,
4 complete not less than ten (10) clock hours of continuing insurance
5 education which shall cover subjects in the lines for which the
6 licensee is authorized to conduct insurance-related business on
7 behalf of the appointing agent, broker, or agency.

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

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

18 B. 1. The Insurance Commissioner shall approve courses and
19 providers of resident provisional producer prelicensing education
20 and continuing education. The Insurance Department may use one or
21 more of the following to review and provide a nonbinding
22 recommendation to the Insurance Commissioner on approval or
23 disapproval of courses and providers of resident provisional
24 producer prelicensing education and continuing education:

- a. employees of the Insurance Commissioner,
- b. a continuing education advisory committee, or
- c. an independent service whose normal business activities include the review and approval of continuing education courses and providers. The Commissioner may negotiate agreements with such independent service to review documents and other materials submitted for approval of courses and providers and provide the Commissioner with its nonbinding recommendation. The Commissioner may require such independent service to collect the fee charged by the independent service for reviewing materials provided for review directly from the course providers.

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

1 The Insurance Commissioner may certify providers and courses
2 offered for license examination study. The Insurance Department
3 shall use employees of the Insurance Commissioner to review and
4 certify license examination study program providers and courses.

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

15 3. An insurance producer who, during the time period prior to
16 renewal, participates in an approved professional designation
17 program shall be deemed to have met the biennial requirement for
18 continuing education.

19 Each course in the curriculum for the program shall total a
20 minimum of twenty-four (24) hours. Each approved professional
21 designation program included in this section shall be reviewed for
22 quality and compliance every three (3) years in accordance with
23 standardized criteria promulgated by rule. Continuation of approved
24 status is contingent upon the findings of the review. The list of

1 professional designation programs approved under this paragraph
2 shall be made available to producers and providers annually.

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

18 5. Subject to approval by the Commissioner, the active
19 membership of the licensed producer or broker in local, regional,
20 state, or national professional insurance organizations or
21 associations may be approved for up to one (1) annual hour of
22 instruction. The hour shall be credited upon timely filing with the
23 Commissioner, or designee of the Commissioner, and appropriate
24

1 written evidence acceptable to the Commissioner of such active
2 membership in the organization or association.

3 6. The active service of a licensed producer as a member of a
4 continuing education advisory committee, as described in paragraph 1
5 of this subsection, shall be deemed to qualify for continuing
6 education credit on an hour-for-hour basis.

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

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

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

1 F. Members of the Legislature shall be exempt from this
2 section.

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

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

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

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11 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM AND
12 FINANCIAL SERVICES, dated 04-07-2011 - DO PASS, As Amended.

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