

1 ENGROSSED SENATE  
2 BILL NO. 1050

By: Paxton of the Senate

3 and

4 Moore of the House

5  
6 An Act relating to insurance agents; amending 36 O.S.  
7 2011, Section 1435.2, as amended by Section 7,  
8 Chapter 298, O.S.L. 2015 (36 O.S. Supp. 2017, Section  
9 1435.2), which relates to definitions; amending the  
10 definition of insurance agent; repealing 36 O.S.  
11 2011, Sections 1461, 1462, 1463, 1464, as amended by  
12 Section 3, Chapter 269, O.S.L. 2013 (36 O.S. Supp.  
13 2017, Section 1464), 1465, and 1466, which relate to  
14 the Oklahoma Life, Accident and Health Brokers Act;  
15 and providing an effective date.

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

17 SECTION 1. AMENDATORY 36 O.S. 2011, Section 1435.2, as  
18 amended by Section 7, Chapter 298, O.S.L. 2015 (36 O.S. Supp. 2017,  
19 Section 1435.2), is amended to read as follows:

20 Section 1435.2. As used in the Oklahoma Producer Licensing Act:

21 1. "Commissioner" means the Insurance Commissioner;

22 2. "Business entity" means a corporation, association,  
23 partnership, limited liability company, limited partnership, or  
24 other legal entity;

3. "Customer service representative" means an individual  
appointed by an insurance producer, surplus lines insurance broker,  
managing general agent, or insurance agency to assist the insurance

1 producer, broker, or agency in transacting the business of insurance  
2 from the office of the insurance producer, broker, or agency and  
3 whose salary may vary based on the production or volume of  
4 applications or premiums;

5 4. "Home state" means the District of Columbia and any state or  
6 territory of the United States in which an insurance producer  
7 maintains the producer's principal place of residence or principal  
8 place of business and is licensed to act as an insurance producer;

9 5. "Insurance" means any of the lines of authority in this  
10 title, including workers' compensation insurance. Any insurer  
11 approved to offer workers' compensation insurance may appoint  
12 insurance producers. All producers appointed for workers'  
13 compensation insurance products must be licensed as insurance  
14 producers by the Oklahoma Insurance Department;

15 6. "Insurance consultant" means an individual or legal entity  
16 who, for a fee, is held out to the public as engaged in the business  
17 of offering any advice, counsel, opinion or service with respect to  
18 the benefits, advantages, or disadvantages promised under any policy  
19 of insurance that could be issued or delivered in this state;

20 7. "Insurance producer" means a person required to be licensed  
21 under the laws of this state to sell, solicit or negotiate  
22 insurance. Any person not duly licensed as an insurance producer,  
23 surplus lines insurance broker, or limited lines producer who  
24 solicits a policy of insurance on behalf of an insurer shall be

1 deemed to be acting as an insurance agent within the meaning of the  
2 Oklahoma Producer Licensing Act, and shall thereby become liable for  
3 all the duties, requirements, liabilities, and penalties to which an  
4 insurance producer of the company is subject, and the company by  
5 issuing the policy of insurance shall thereby accept and acknowledge  
6 the person as its agent in the transaction. For purposes of the  
7 laws of this state and the Oklahoma Insurance Code, the term  
8 "insurance agent" ~~shall have the same meaning as the term "insurance~~  
9 ~~producer"~~ means an insurance producer properly appointed by an  
10 insurance carrier to act as an agent for that insurance carrier,  
11 pursuant to Section 1435.15 of this title;

12 8. "Insurer" has the meaning set out in Section 103 of this  
13 title;

14 9. "License" means a document issued by the Insurance  
15 Commissioner of this state authorizing a person to act as an  
16 insurance producer for the lines of authority specified in the  
17 document. The license itself does not create any authority, actual,  
18 apparent or inherent, in the holder to represent or commit an  
19 insurance carrier;

20 10. "Limited line credit insurance" includes credit life,  
21 credit disability, credit property, credit unemployment, involuntary  
22 unemployment, mortgage life, mortgage guaranty, mortgage disability,  
23 guaranteed automobile protection insurance, known as "gap"  
24 insurance, and any other form of insurance offered in connection

1 with an extension of credit that is limited to partially or wholly  
2 extinguishing that credit obligation that the Insurance Commissioner  
3 determines should be designated a form of limited line credit  
4 insurance;

5 11. "Limited line credit insurance producer" means a person who  
6 sells, solicits or negotiates one or more forms of limited line  
7 credit insurance coverage to individuals through a master,  
8 corporate, group or individual policy;

9 12. "Limited lines insurance" means limited line credit and  
10 those lines of insurance defined in Section 1435.20 of this title or  
11 any other line of insurance the Insurance Commissioner deems  
12 necessary to recognize for the purposes of complying with subsection  
13 E of Section 1435.9 of this title;

14 13. "Limited lines producer" means a person who is authorized  
15 by the Commissioner to sell, solicit or negotiate limited lines  
16 insurance. For purposes of the laws of this state and the Oklahoma  
17 Insurance Code, the term "limited insurance representative" shall  
18 have the same meaning as the term "limited lines producer";

19 14. "Managing general agent" means an individual or legal  
20 entity appointed, as an independent contractor, by one or more  
21 insurers to exercise general supervision over the business of the  
22 insurer in this state, with authority to appoint insurance producers  
23 for the insurer, and to terminate appointments for the insurer;

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1       15. "Negotiate" means the act of conferring directly with or  
2 offering advice directly to a purchaser or prospective purchaser of  
3 a particular contract of insurance concerning any of the substantive  
4 benefits, terms or conditions of the contract, provided that the  
5 person engaged in that act either sells insurance or obtains  
6 insurance from insurers for purchaser;

7       16. "Person" means an individual or a business entity;

8       17. "Sell" means to exchange a contract of insurance, by any  
9 means, for money or its equivalent, on behalf of an insurance  
10 company;

11       18. "Solicit" means attempting to sell insurance or asking or  
12 urging a person to apply for a particular kind of insurance from a  
13 particular company;

14       19. "Surplus lines insurance broker" means an individual or  
15 legal entity who solicits, negotiates, or procures a policy of  
16 insurance in an insurance company not licensed to transact business  
17 in this state which cannot be procured from insurers licensed to do  
18 business in this state. All transactions under such license shall  
19 be subject to Article 11 of the Oklahoma Insurance Code;

20       20. "Terminate" means the cancellation of the relationship  
21 between an insurance producer and the insurer or the termination of  
22 a producer's authority to transact insurance;

23       21. "Uniform Business Entity Application" means the current  
24 version of the National Association of Insurance Commissioners

1 (NAIC) Uniform Business Entity Application for resident and  
2 nonresident business entities; and

3 22. "Uniform Application" means the current version of the NAIC  
4 Uniform Application for resident and nonresident producer licensing.

5 SECTION 2. REPEALER 36 O.S. 2011, Sections 1461, 1462,  
6 1463, 1464, as amended by Section 3, Chapter 269, O.S.L. 2013 (36  
7 O.S. Supp. 2017, Section 1464), 1465 and 1466, are hereby repealed.

8 SECTION 3. This act shall become effective November 1, 2018.

9 Passed the Senate the 7th day of March, 2018.

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Presiding Officer of the Senate

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13 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
14 2018.

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Presiding Officer of the House  
of Representatives

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