

1 ENGROSSED SENATE
2 BILL NO. 1642

By: Montgomery of the Senate

3 and

4 Mize of the House

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6 An Act relating to the Oklahoma Producer Licensing
7 Act; amending 36 O.S. 2011, Section 1435.15, as last
8 amended by Section 4, Chapter 294, O.S.L. 2019 (36
9 O.S. Supp. 2019, Section 1435.15), which relates to
10 appointment of producer as agent of insurer;
11 modifying procedure and timeline for certain required
12 notice; providing an effective date; and declaring an
13 emergency.

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

15 SECTION 1. AMENDATORY 36 O.S. 2011, Section 1435.15, as
16 last amended by Section 4, Chapter 294, O.S.L. 2019 (36 O.S. Supp.
17 2019, Section 1435.15), is amended to read as follows:

18 Section 1435.15. A. An insurance producer shall not act as an
19 agent of an insurer unless the insurance producer becomes an
20 appointed agent of that insurer. An insurance producer who is not
21 acting as an agent of an insurer is not required to become
22 appointed.

23 B. To appoint a producer as its agent, the appointing insurer,
24 or an authorized representative of the insurer, shall file, in a
format approved by the Insurance Commissioner, a notice of
appointment within fifteen (15) days from the date the agent

1 contract is executed, or the first insurance application is
2 submitted. For purposes of this section, an "authorized
3 representative of the insurer" means a person or entity licensed by
4 the Commissioner pursuant to the laws of this state who is
5 authorized in writing by the appointing insurer to file appointments
6 for the appointing insurer. An insurer or authorized representative
7 of an insurer may also elect to appoint a producer to all or some
8 insurers within the insurer's holding company system or group by the
9 filing of a single appointment request.

10 C. Upon receipt of the notice of appointment, the Insurance
11 Commissioner shall verify within a reasonable time not to exceed
12 thirty (30) days that the insurance producer is eligible for
13 appointment. If the insurance producer is determined to be
14 ineligible for appointment, the Commissioner shall notify the
15 insurer and the authorized representative of the insurer within five
16 (5) days of its determination.

17 D. An insurer or authorized representative of an insurer shall
18 pay an appointment fee, in the amount and method of payment set
19 forth in Section 1435.23 of this title, for each insurance producer
20 appointed by the insurer for each insurer for which the insurance
21 producer is appointed.

22 E. It shall be unlawful for any insurer to discriminate among
23 or between the insurance producers it has appointed. Any person or
24 company convicted of violating the provisions of this section shall

1 be guilty of a misdemeanor and shall be punished by the imposition
2 of a fine of not more than Five Hundred Dollars (\$500.00) or
3 imprisonment in the county jail for not less than six (6) months nor
4 more than one (1) year, or be punished by both fine and
5 imprisonment.

6 SECTION 2. This act shall become effective July 1, 2020.

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

11 Passed the Senate the 17th day of February, 2020.

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Presiding Officer of the Senate

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15 Passed the House of Representatives the ____ day of _____,
16 2020.

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Presiding Officer of the House
of Representatives

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