

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1642

By: Montgomery

AS INTRODUCED

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

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

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

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

B. To appoint a producer as its agent, the appointing insurer, or an authorized representative of the insurer, shall file, in a format approved by the Insurance Commissioner, a notice of

1 appointment within fifteen (15) days from the date the agent
2 contract is executed, or the first insurance application is
3 submitted. For purposes of this section, an "authorized
4 representative of the insurer" means a person or entity licensed by
5 the Commissioner pursuant to the laws of this state who is
6 authorized in writing by the appointing insurer to file appointments
7 for the appointing insurer. An insurer or authorized representative
8 of an insurer may also elect to appoint a producer to all or some
9 insurers within the insurer's holding company system or group by the
10 filing of a single appointment request.

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

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

23 E. It shall be unlawful for any insurer to discriminate among
24 or between the insurance producers it has appointed. Any person or

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

7 SECTION 2. This act shall become effective November 1, 2020.

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