

1 ENGROSSED HOUSE
2 BILL NO. 2403

By: Russ of the House

3 and

4 Quinn of the Senate
5
6

7 An Act relating to licenses and certificates;
8 amending 36 O.S. 2011, Section 617, which relates to
9 insurance certificates; requiring inactivation of
10 license for failure to qualify for renewal; imposing
11 reinstatement fee; allowing termination of license
12 after certain time period; providing exemption;
13 amending 36 O.S. 2011, Section 618, which relates to
14 mandatory revocation or suspension; requiring
15 inactivation of license for failure to qualify for
16 renewal; imposing reinstatement fee; allowing
17 termination of license after certain time period;
18 providing exemption; amending 36 O.S. 2011, Section
19 619, which relates to revocation or suspension of
20 insurance certificate; requiring inactivation of
21 certificate for failure to qualify for renewal;
22 imposing reinstatement fee; allowing termination of
23 certificate after certain time period; providing
24 exemption; amending 36 O.S. 2011, Sections 1435.13,
as amended by Section 3, Chapter 294, O.S.L. 2019 and
1435.29, as amended by Section 7, Chapter 11, O.S.L.
2012 (36 O.S. Supp. 2020, Sections 1435.13 and
1435.29), which relate to the Oklahoma Producer
Licensing Act; requiring inactivation of license for
failure to qualify for renewal; imposing
reinstatement fee; allowing termination of license
after certain time period; providing exemption;
providing continuing education exemption; amending 36
O.S. 2011, Section 2727.1, which relates to fraternal
benefit societies; requiring inactivation of license
for failure to qualify for renewal; imposing
reinstatement fee; allowing termination of license
after certain time period; providing exemption;
amending 36 O.S. 2011, Section 4055.4, which relates
to the Viatical Settlements Act of 2008; requiring
inactivation of license for failure to qualify for

1 renewal; imposing reinstatement fee; allowing
2 termination of license after certain time period;
3 providing exemption; amending 36 O.S. 2011, Sections
4 6217, as last amended by Section 14, Chapter 269,
5 O.S.L. 2013 and 6220, as last amended by Section 10,
6 Chapter 294, O.S.L. 2019 (36 O.S. Supp. 2020,
7 Sections 6217 and 6220), which relate to the
8 Insurance Adjusters Licensing Act; providing
9 continuing education exemption; requiring
10 inactivation of license for failure to qualify for
11 renewal; imposing reinstatement fee; allowing
12 termination of license after certain time period;
13 providing exemption; amending 36 O.S. 2011, Sections
14 6560 and 6561, which relate to the Hospital and
15 Medical Services Utilization Review Act; requiring
16 inactivation of license for failure to qualify for
17 renewal; imposing reinstatement fee; allowing
18 termination of license after certain time period;
19 providing exemption; amending 59 O.S. 2011, Sections
20 1304, as amended by Section 1, Chapter 150, O.S.L.
21 2013, 1308.1, as amended by Section 1, Chapter 259,
22 O.S.L. 2019 and 1309, as last amended by Section 3,
23 Chapter 110, O.S.L. 2015 (59 O.S. Supp. 2020,
24 Sections 1304, 1308.1 and 1309), which relate to bail
bondsmen; requiring inactivation of license for
failure to qualify for renewal; imposing
reinstatement fee; allowing termination of license
after certain time period; providing exemption;
providing continuing education exemption; eliminating
automatic expiration; and providing an effective
date.

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

SECTION 1. AMENDATORY 36 O.S. 2011, Section 617, is
amended to read as follows:

Section 617. A. All certificates of authority shall, beginning
November 1, 2002, be perpetual and automatically renewed as of March

1 1 of each year, unless the insurer fails to qualify for renewal
2 pursuant to the requirements of the Insurance Code.

3 B. The Insurance Commissioner may amend a certificate of
4 authority at any time to accord with changes in the insurer's
5 charter or insuring powers. If the insurer or holder of the license
6 fails to qualify for a renewal, the license shall be inactive. If
7 the license has been inactive for less than twelve (12) months and
8 the insurer or holder of the license meets the requirements for
9 renewal, the license shall be reinstated after the insurer or holder
10 of the license pays a fee of Two Hundred Fifty Dollars (\$250.00) and
11 no reexamination shall be required. After the license has been
12 inactive for more than twelve (12) months, the license shall be
13 terminated. The Department shall only terminate a license that
14 failed to renew after the twelve-month inactive period required
15 under this subsection and upon notification by first-class mail
16 ninety (90) days prior to termination of any license. The
17 provisions of this subsection shall not apply to an insurer or
18 holder of a license that willfully and knowingly violates any
19 provision of this Code as to which refusal, suspension or revocation
20 is mandatory.

21 SECTION 2. AMENDATORY 36 O.S. 2011, Section 618, is
22 amended to read as follows:
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1 Section 618. A. The Insurance Commissioner shall refuse to
2 renew or shall revoke or suspend an insurer's certificate of
3 authority:

4 1. If such action is required by any provision of this Code;
5 or

6 2. If the insurer no longer meets the requirements for the
7 authority originally granted, on account of deficiency in assets or
8 otherwise.

9 B. If the insurer or holder of the license fails to qualify for
10 a renewal, the license shall be inactive. If the license has been
11 inactive for less than twelve (12) months and the insurer or holder
12 of the license meets the requirements for renewal, the license shall
13 be reinstated after the insurer or holder of the license pays a fee
14 of Two Hundred Fifty Dollars (\$250.00) and no reexamination shall be
15 required. After the license has been inactive for more than twelve
16 (12) months, the license shall be terminated. The Department shall
17 only terminate a license that failed to renew after the twelve-month
18 inactive period required under this subsection and upon notification
19 by first-class mail ninety (90) days prior to termination of any
20 license. The provisions of this subsection shall not apply to an
21 insurer or holder of a license that willfully and knowingly violates
22 any provision of this Code as to which refusal, suspension or
23 revocation is mandatory.

1 SECTION 3. AMENDATORY 36 O.S. 2011, Section 619, is
2 amended to read as follows:

3 Section 619. A. ~~The~~ Except as otherwise provided in this
4 section, the Insurance Commissioner may, after opportunity for a
5 hearing, refuse to renew, or may revoke or suspend an insurer's
6 certificate of authority, in addition to other grounds in this Code,
7 if the insurer:

8 1. Violates any provision of this Code other than those as to
9 which refusal, suspension, or revocation is mandatory;

10 2. Knowingly fails to comply with any lawful rule or order of
11 the Insurance Commissioner;

12 3. Is found by the Insurance Commissioner to be in unsound
13 condition or in such condition as to render its further transaction
14 of insurance in this state hazardous to its policyholders or to the
15 people of this state;

16 4. Without reasonable cause compels claimants under its
17 policies to accept less than the amount due them or to bring suit
18 against it to secure full payment;

19 5. Refuses to be examined or to produce its accounts, records,
20 and files for examination by the Insurance Commissioner when
21 required;

22 6. Fails to pay any final judgment rendered against it in this
23 state within thirty (30) days after the judgment becomes final; or
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1 7. Is affiliated with and under the same general management or
2 interlocking directorate or ownership as another insurer which
3 transacts direct insurance in this state without having a
4 certificate of authority therefor, except as permitted to a surplus
5 line insurer pursuant to Sections 1101 through 1120 of this title.

6 B. In addition to or in lieu of any applicable revocation or
7 suspension of an insurer's certificate of authority, any insurer who
8 knowingly and willfully violates this Code may be subject to a civil
9 penalty of not more than Five Thousand Dollars (\$5,000.00) for each
10 occurrence.

11 C. In addition to or in lieu of any sanction, the Commissioner
12 may require an insurer to restrict its insurance writings, obtain
13 additional contributions to surplus, withdraw from the state,
14 reinsure all or part of its business, increase capital, surplus,
15 deposits or any other account for the security of policyholders or
16 creditors, or provide independent actuarial review.

17 D. If the insurer fails to qualify for a renewal, the insurance
18 certificate shall be inactive. If the insurance certificate has
19 been inactive for less than twelve (12) months and the insurer meets
20 the requirements for renewal, the insurance certificate shall be
21 reinstated after the insurer pays a fee of Two Hundred Fifty Dollars
22 (\$250.00) and no reexamination shall be required. After the
23 insurance certificate has been inactive for more than twelve (12)
24 months, the insurance certificate shall be terminated. The

1 Department shall only terminate an insurance certificate that failed
2 to renew after the twelve-month inactive period required under this
3 subsection and upon notification by first-class mail ninety (90)
4 days prior to termination of any insurance certificate. The
5 provisions of this subsection shall not apply to an insurer that
6 willfully and knowingly violates any provision of this Code as to
7 which refusal, suspension or revocation is mandatory.

8 SECTION 4. AMENDATORY 36 O.S. 2011, Section 1435.13, as
9 amended by Section 3, Chapter 294, O.S.L. 2019 (36 O.S. Supp. 2020,
10 Section 1435.13), is amended to read as follows:

11 Section 1435.13 A. The Except as otherwise provided in this
12 section, the Insurance Commissioner may place on probation, censure,
13 suspend, revoke or refuse to issue or renew a license issued
14 pursuant to the Oklahoma Producer Licensing Act or may levy a civil
15 penalty in accordance with subsection D of this section or any
16 combination of actions, for any one or more of the following causes:

17 1. Providing incorrect, misleading, incomplete or materially
18 untrue information in the license application;

19 2. Violating any insurance laws, or violating any regulation,
20 subpoena or order of the Insurance Commissioner or of another
21 state's Insurance Commissioner;

22 3. Obtaining or attempting to obtain a license through
23 misrepresentation or fraud;
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1 4. Improperly withholding, misappropriating or converting any
2 monies or properties received in the course of doing insurance
3 business;

4 5. Intentionally misrepresenting the terms of an actual or
5 proposed insurance contract or application for insurance;

6 6. Having been convicted of a felony;

7 7. Having admitted or been found to have committed any
8 insurance unfair trade practice or fraud;

9 8. Using fraudulent, coercive, or dishonest practices, or
10 demonstrating incompetence, untrustworthiness or financial
11 irresponsibility in the conduct of business in this state or
12 elsewhere;

13 9. Having an insurance producer license, or its equivalent,
14 denied, suspended, censured, placed on probation or revoked in any
15 other state, province, district or territory;

16 10. Forging another's name to an application for insurance or
17 to any document related to an insurance transaction;

18 11. Improperly using notes or any other reference material to
19 complete an examination for an insurance license;

20 12. Knowingly accepting insurance business from an individual
21 who is not licensed;

22 13. Failing to comply with an administrative or court order
23 imposing a child support obligation;

1 14. Failing to pay state income tax or comply with any
2 administrative or court order directing payment of state income tax;

3 15. Failing to respond to an inquiry from the Department as
4 required in Section 1250.4 of this title; or

5 16. Any cause for which an original issuance of a license could
6 have been refused.

7 B. 1. In the event that the action by the Insurance
8 Commissioner is to nonrenew or to deny an application for a license,
9 the Insurance Commissioner shall notify the applicant or licensee
10 and advise the applicant or licensee, in writing, of the reason for
11 the denial or nonrenewal of the applicant's or licensee's license.
12 The applicant or licensee may make written demand upon the Insurance
13 Commissioner within thirty (30) days of the date of notification of
14 the notification by the Insurance Commissioner for a hearing before
15 the Insurance Commissioner or an independent hearing examiner to
16 determine the reasonableness of the Insurance Commissioner's action.
17 The hearing shall be heard within a reasonable time period and shall
18 be held pursuant to the Oklahoma Administrative Procedures Act.

19 2. If the licensee fails to qualify for a renewal, the license
20 shall be inactive. If the license has been inactive for less than
21 twelve (12) months and the licensee meets the requirements for
22 renewal, the license shall be reinstated after the licensee pays a
23 fee of Two Hundred Fifty Dollars (\$250.00) and no reexamination
24 shall be required. After the license has been inactive for more

1 than twelve (12) months, the license shall be terminated. The
2 Department shall only terminate a license that failed to renew after
3 the twelve-month inactive period required under this subsection and
4 upon notification by first-class mail ninety (90) days prior to
5 termination of any license. The provisions of this subsection shall
6 not apply to a licensee that willfully and knowingly violates any
7 provision of this Code as to which refusal, suspension or revocation
8 is mandatory.

9 C. The license of a business entity may be suspended, revoked
10 or refused if the Insurance Commissioner finds, after opportunity
11 for hearing, that an individual licensee's violation was known or
12 should have been known by one or more of the partners, officers or
13 managers acting on behalf of the partnership or corporation and the
14 violation was neither reported to the Insurance Commissioner nor
15 corrective action taken.

16 D. In addition to or in lieu of any applicable denial,
17 probation, censure, suspension or revocation of a license, a person
18 may, after opportunity for hearing, be subject to a civil fine of
19 not less than One Hundred Dollars (\$100.00) nor more than One
20 Thousand Dollars (\$1,000.00) for each occurrence. The penalty may
21 be enforced in the same manner in which civil judgments may be
22 enforced.

23 E. Every licensee licensed pursuant to the provisions of the
24 Oklahoma Producer Licensing Act shall keep at the licensee's place

1 of business the usual and customary records pertaining to
2 transactions authorized by the license. All records as to any
3 particular transactions shall be kept available and open to the
4 inspection of the Commissioner at any time during business hours
5 during the three (3) years immediately following the date of
6 completion of the transaction. The Commissioner may require a
7 financial or market conduct examination during any investigation of
8 a licensee. The cost of such examination shall be apportioned among
9 all of the appointing insurers of the licensee.

10 F. The Insurance Commissioner shall retain the authority to
11 enforce the provisions of and impose any penalty or remedy
12 authorized by the Oklahoma Producer Licensing Act and ~~Title 36 of~~
13 ~~the Oklahoma Statutes~~ this title against any person who is under
14 investigation for or charged with a violation of the Oklahoma
15 Producer Licensing Act or ~~Title 36 of the Oklahoma Statutes~~ this
16 title even if the person's license or registration has been
17 surrendered or has lapsed by operation of law.

18 G. Files pertaining to investigations or legal matters which
19 contain information concurring a current and ongoing investigation
20 of allegations of violations of the Oklahoma Insurance Code by a
21 licensed agent shall not be available for public inspection without
22 proper judicial authorization; however, a licensee under
23 investigation for alleged violations of the Oklahoma Insurance Code,
24 or against whom an action for alleged violations of the Oklahoma

1 Insurance Code has been commenced, may view evidence and complaints
2 pertaining to the investigation, other than privileged information,
3 at reasonable times at the Commissioner's office. All qualification
4 examination materials, booklets and answers for any license
5 authorized to be issued by the Commissioner under any statute shall
6 not be available for public inspection. The residence address,
7 residence telephone number, birth date, and Social Security number
8 of a licensee shall not be available for public inspection. A
9 separate business or mailing address provided by the licensee shall
10 be considered a public record. If the residence and business
11 addresses or residence and business telephone numbers are the same,
12 such addresses or telephone numbers shall be considered a public
13 record.

14 H. The Commissioner shall promptly notify all appointing
15 insurers, where applicable, and the licensee regarding any censure,
16 suspension, revocation or termination of license by the
17 Commissioner.

18 I. Upon suspension, revocation or termination of the license of
19 a resident or nonresident of this state, the Commissioner shall
20 notify the Central Office of the National Association of Insurance
21 Commissioners, or its appropriate nonprofit affiliates and the
22 Insurance Commissioner of each state for whom the Commissioner has
23 executed a certificate of licensure status.

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1 J. The Commissioner may issue a duplicate license for any lost,
2 stolen or destroyed license issued pursuant to the Oklahoma Producer
3 Licensing Act upon an affidavit of the licensee prescribed by the
4 Commissioner concerning the facts of such loss, theft or
5 destruction.

6 SECTION 5. AMENDATORY 36 O.S. 2011, Section 1435.29, as
7 amended by Section 7, Chapter 11, O.S.L. 2012 (36 O.S. Supp. 2020,
8 Section 1435.29), is amended to read as follows:

9 Section 1435.29 A. 1. Each insurance producer, with the
10 exception of title producers ~~and~~, aircraft title producers,
11 producers that have maintained an insurance producer license for
12 twenty (20) or more years or any other producer exempt by rule,
13 shall, biennially, complete not less than twenty-one (21) clock
14 hours of continuing insurance education. Such education may include
15 a written or oral examination.

16 2. Each customer service representative shall, biennially,
17 complete not less than ten (10) clock hours of continuing insurance
18 education.

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

23 4. Each title producer and aircraft title producer shall,
24 biennially, complete not less than sixteen (16) clock hours of

1 continuing insurance education, two (2) hours of which shall be
2 ethics course work, which shall cover the line for which the
3 producer is licensed. Such education may include a written or oral
4 examination.

5 B. 1. The Insurance Commissioner shall approve courses and
6 providers of continuing education. The Insurance Department may use
7 one or more of the following to review and provide a nonbinding
8 recommendation to the Insurance Commissioner on approval or
9 disapproval of courses and providers of continuing education:

- 10 a. employees of the Insurance Commissioner,
- 11 b. a continuing education advisory committee, or
- 12 c. an independent service whose normal business
13 activities include the review and approval of
14 continuing education courses and providers. The
15 Commissioner may negotiate agreements with such
16 independent service to review documents and other
17 materials submitted for approval of courses and
18 providers and provide the Commissioner with its
19 nonbinding recommendation. The Commissioner may
20 require such independent service to collect the fee
21 charged by the independent service for reviewing
22 materials provided for review directly from the course
23 providers.

1 The Insurance Commissioner has sole authority to approve courses
2 and providers of continuing education. If the Insurance
3 Commissioner uses one of the entities listed above to provide a
4 nonbinding recommendation, the Commissioner shall adopt or decline
5 to adopt the recommendation within thirty (30) days of receipt of
6 the recommendation. In the event the Insurance Commissioner takes
7 no action within said thirty-day period, the recommendation made to
8 the Commissioner will be deemed to have been adopted by the
9 Commissioner.

10 The Insurance Commissioner may certify providers and courses
11 offered for license examination study. The Insurance Department
12 shall use employees of the Insurance Commissioner to review and
13 certify license examination study program providers and courses.

14 2. Each insurance company shall be allowed to provide
15 continuing education to insurance producers and customer service
16 representatives as required by this section; provided that such
17 continuing education meets the general standards for education
18 otherwise established by the Insurance Commissioner.

19 3. An insurance producer who, during the time period prior to
20 renewal, participates in a professional designation program,
21 approved by the Insurance Commissioner, shall be deemed to have met
22 the biennial requirement for continuing education.

23 The curriculum for the program shall total a minimum of twenty-
24 four (24) hours within a twenty-four-month period. Each approved

1 professional designation program included in this section shall be
2 reviewed for quality and compliance every three (3) years in
3 accordance with standardized criteria promulgated by rule.
4 Continuation of approved status is contingent upon the findings of
5 the review. The list of professional designation programs approved
6 under this paragraph shall be made available to producers and
7 providers annually.

8 4. The Insurance Department may promulgate rules providing that
9 courses or programs offered by professional associations shall
10 qualify for presumptive continuing education credit approval. The
11 rules shall include standardized criteria for reviewing the
12 professional associations' mission, membership, and other relevant
13 information, and shall provide a procedure for the Department to
14 disallow all or part of a presumptively approved course.
15 Professional association courses approved in accordance with this
16 paragraph shall be reviewed every three (3) years to determine
17 whether they continue 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
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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. 1. Annual fees and course submission fees shall be set
8 forth as a rule by the Commissioner. The fees are payable to the
9 Insurance Commissioner. Provided, public-funded educational
10 institutions, federal agencies, nonprofit organizations, not-for-
11 profit organizations, and Oklahoma state agencies shall be exempt
12 from this subsection.

13 2. The Commissioner may assess a civil penalty, after notice
14 and opportunity for hearing, against a continuing education provider
15 who fails to comply with the requirements of the Oklahoma Producer
16 Licensing Act, of not less than One Hundred Dollars (\$100.00) nor
17 more than Five Hundred Dollars (\$500.00), for each occurrence. The
18 civil penalty may be enforced in the same manner in which civil
19 judgments may be enforced.

20 D. Failure of an insurance producer or customer service
21 representative to comply with the requirements of the Oklahoma
22 Producer Licensing Act may, after notice and opportunity for
23 hearing, result in censure, suspension, nonrenewal of license or a
24 civil penalty of up to Five Hundred Dollars (\$500.00) or by both

1 such penalty and civil penalty. Said civil penalty may be enforced
2 in the same manner in which civil judgments may be enforced.

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

6 F. Members of the Legislature shall be exempt from this
7 section.

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

10 SECTION 6. AMENDATORY 36 O.S. 2011, Section 2727.1, is
11 amended to read as follows:

12 Section 2727.1 A. Societies which are authorized prior to the
13 effective date of this act to transact business in this state may
14 continue such business until the last day of February next
15 succeeding the effective date of this act. The authority of such
16 societies and of all societies licensed on and after the effective
17 date of this act may be renewed annually, to terminate in all cases
18 on the last day of the succeeding February. However, a license so
19 issued shall continue in full force and effect until the new license
20 is issued or specifically refused. For each such license or renewal
21 the society shall pay to the Insurance Commissioner the fee stated
22 in Section 321 of ~~Title 36 of the Oklahoma Statutes~~ this title. A
23 duly certified copy or duplicate of such license shall be prima
24

1 facie evidence that the licensee is a fraternal benefit society
2 within the meaning of this article.

3 B. If the society fails to qualify for a renewal, the license
4 shall be inactive. If the license has been inactive for less than
5 twelve (12) months and the society meets the requirements for
6 renewal, the license shall be reinstated after the society pays a
7 fee of Two Hundred Fifty Dollars (\$250.00) and no reexamination
8 shall be required. After the license has been inactive for more
9 than twelve (12) months, the license shall be terminated. The
10 Department shall only terminate a license that failed to renew after
11 the twelve-month inactive period required under this subsection and
12 upon notification by first-class mail ninety (90) days prior to
13 termination of any license. The provisions of this subsection shall
14 not apply to a society that willfully and knowingly violates any
15 provision of this Code as to which refusal, suspension, or
16 revocation is mandatory.

17 SECTION 7. AMENDATORY 36 O.S. 2011, Section 4055.4, is
18 amended to read as follows:

19 Section 4055.4 A. The Insurance Commissioner may refuse to
20 issue, suspend, revoke or refuse to renew the license of a viatical
21 settlement provider or viatical settlement broker if the
22 Commissioner finds that:

23 1. There was any material misrepresentation in the application
24 for the license;

1 2. The licensee or any officer, partner, member or key
2 management personnel has been convicted of fraudulent or dishonest
3 practices, is subject to a final administrative action or is
4 otherwise shown to be untrustworthy or incompetent;

5 3. The viatical settlement provider demonstrates a pattern of
6 unreasonable payments to viators;

7 4. The licensee or any officer, partner, member or key
8 management personnel has been found guilty of, or has pleaded guilty
9 or nolo contendere to, any felony, or to a misdemeanor involving
10 fraud or moral turpitude, regardless of whether a judgment of
11 conviction has been entered by the court;

12 5. The viatical settlement provider has entered into any
13 viatical settlement contract that has not been approved pursuant to
14 the Viatical Settlements Act of 2008;

15 6. The viatical settlement provider has failed to honor
16 contractual obligations set out in a viatical settlement contract;

17 7. The licensee no longer meets the requirements for initial
18 licensure;

19 8. The viatical settlement provider has assigned, transferred
20 or pledged a viaticated policy to a person other than a viatical
21 settlement provider licensed in this state, viatical settlement
22 purchaser, an accredited investor or qualified institutional buyer
23 as defined respectively in Rule 501(a) or Rule 144A promulgated
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1 under the Federal Securities Act of 1933, as amended, financing
2 entity, special purpose entity, or related provider trust; or

3 9. The licensee or any officer, partner, member or key
4 management personnel has violated any provision of the Viatical
5 Settlements Act of 2008.

6 B. The Commissioner may suspend, revoke or refuse to renew the
7 license of a viatical settlement broker or a life insurance producer
8 operating as a viatical settlement broker pursuant to the Viatical
9 Settlements Act of 2008 if the Commissioner finds that the viatical
10 settlement broker or life insurance producer has violated the
11 provisions of the Viatical Settlements Act of 2008 or has otherwise
12 engaged in bad-faith conduct with one or more viators.

13 C. If the Commissioner denies a license application or
14 suspends, revokes or refuses to renew the license of a viatical
15 settlement provider, viatical settlement broker or suspends,
16 revokes, or refuses to renew a license of a life insurance producer
17 operating as a viatical settlement broker pursuant to the Viatical
18 Settlements Act of 2008 the Commissioner shall conduct a hearing in
19 accordance with the Administrative Procedures Act.

20 D. If the licensee fails to qualify for a renewal, the license
21 shall be inactive. If the license has been inactive for less than
22 twelve (12) months and the licensee meets the requirements for
23 renewal, the license shall be reinstated after the licensee pays a
24 fee of Two Hundred Fifty Dollars (\$250.00) and no reexamination

1 shall be required. After the license has been inactive for more
2 than twelve (12) months, the license shall be terminated. The
3 Department shall only terminate a license that failed to renew after
4 the twelve-month inactive period required under this subsection and
5 upon notification by first-class mail ninety (90) days prior to
6 termination of any license. The provisions of this subsection shall
7 not apply to a licensee that willfully and knowingly violates any
8 provision of this Code as to which refusal, suspension, or
9 revocation is mandatory.

10 SECTION 8. AMENDATORY 36 O.S. 2011, Section 6217, as
11 last amended by Section 14, Chapter 269, O.S.L. 2013 (36 O.S. Supp.
12 2020, Section 6217), is amended to read as follows:

13 Section 6217. A. All licenses issued pursuant to the
14 provisions of the Insurance Adjusters Licensing Act shall continue
15 in force not longer than twenty-four (24) months. The renewal dates
16 for the licenses may be staggered throughout the year by notifying
17 licensees in writing of the expiration and renewal date being
18 assigned to the licensees by the Insurance Commissioner and by
19 making appropriate adjustments in the biennial licensing fee.

20 B. Any licensee applying for renewal of a license as an
21 adjuster shall have completed not less than twenty-four (24) clock
22 hours of continuing insurance education, of which three (3) hours
23 shall be in ethics, within the previous twenty-four (24) months
24 prior to renewal of the license, provided that anyone who has

1 maintained a license as an adjuster for twenty (20) or more years
2 shall be exempt from any continuing insurance education
3 requirements. The Insurance Commissioner shall approve courses and
4 providers of continuing education for insurance adjusters as
5 required by this section.

6 The Insurance Department may use one or more of the following to
7 review and provide a nonbinding recommendation to the Insurance
8 Commissioner on approval or disapproval of courses and providers of
9 continuing education:

10 1. Employees of the Insurance Commissioner;

11 2. A continuing education advisory committee. The continuing
12 education advisory committee is separate and distinct from the
13 Advisory Board established by Section 6221 of this title; or

14 3. An independent service whose normal business activities
15 include the review and approval of continuing education courses and
16 providers. The Commissioner may negotiate agreements with such
17 independent service to review documents and other materials
18 submitted for approval of courses and providers and present the
19 Commissioner with its nonbinding recommendation. The Commissioner
20 may require such independent service to collect the fee charged by
21 the independent service for reviewing materials provided for review
22 directly from the course providers.

23 C. An adjuster who, during the time period prior to renewal,
24 participates in an approved professional designation program shall

1 be deemed to have met the biennial requirement for continuing
2 education. Each course in the curriculum for the program shall
3 total a minimum of twenty-four (24) hours. Each approved
4 professional designation program included in this section shall be
5 reviewed for quality and compliance every three (3) years in
6 accordance with standardized criteria promulgated by rule.
7 Continuation of approved status is contingent upon the findings of
8 the review. The list of professional designation programs approved
9 under this subsection shall be made available to producers and
10 providers annually.

11 D. The Insurance Department may promulgate rules providing that
12 courses or programs offered by professional associations shall
13 qualify for presumptive continuing education credit approval. The
14 rules shall include standardized criteria for reviewing the
15 professional associations' mission, membership, and other relevant
16 information, and shall provide a procedure for the Department to
17 disallow a presumptively approved course. Professional association
18 courses approved in accordance with this subsection shall be
19 reviewed every three (3) years to determine whether they continue to
20 qualify for continuing education credit.

21 E. The active service of a licensed adjuster as a member of a
22 continuing education advisory committee, as described in paragraph 2
23 of subsection B of this section, shall be deemed to qualify for
24 continuing education credit on an hour-for-hour basis.

1 F. 1. Each provider of continuing education shall, after
2 approval by the Commissioner, submit an annual fee. A fee may be
3 assessed for each course submission at the time it is first
4 submitted for review and upon submission for renewal at expiration.
5 Annual fees and course submission fees shall be set forth as a rule
6 by the Commissioner. The fees are payable to the Insurance
7 Commissioner and shall be deposited in the State Insurance
8 Commissioner Revolving Fund, created in Section 307.3 of this title,
9 for the purposes of fulfilling and accomplishing the conditions and
10 purposes of the Oklahoma Producer Licensing Act and the Insurance
11 Adjusters Licensing Act. Public-funded educational institutions,
12 federal agencies, nonprofit organizations, not-for-profit
13 organizations and Oklahoma state agencies shall be exempt from this
14 subsection.

15 2. The Commissioner may assess a civil penalty, after notice
16 and opportunity for hearing, against a continuing education provider
17 who fails to comply with the requirements of the Insurance Adjusters
18 Licensing Act, of not less than One Hundred Dollars (\$100.00) nor
19 more than Five Hundred Dollars (\$500.00), for each occurrence. The
20 civil penalty may be enforced in the same manner in which civil
21 judgments may be enforced.

22 G. Subject to the right of the Commissioner to suspend, revoke,
23 or refuse to renew a license of an adjuster, any such license may be
24 renewed by filing on the form prescribed by the Commissioner on or

1 before the expiration date a written request by or on behalf of the
2 licensee for such renewal and proof of completion of the continuing
3 education requirement set forth in subsection B of this section,
4 accompanied by payment of the renewal fee.

5 H. If the request, proof of compliance with the continuing
6 education requirement and fee for renewal of a license as an
7 adjuster are filed with the Commissioner prior to the expiration of
8 the existing license, the licensee may continue to act pursuant to
9 said license, unless revoked or suspended prior to the expiration
10 date, until the issuance of a renewal license or until the
11 expiration of ten (10) days after the Commissioner has refused to
12 renew the license and has mailed notice of said refusal to the
13 licensee. Any request for renewal filed after the date of
14 expiration may be considered by the Commissioner as an application
15 for a new license.

16 I. If the licensee fails to qualify for a renewal, the license
17 shall be inactive. If the license has been inactive for less than
18 twelve (12) months and the licensee meets the requirements for
19 renewal, the license shall be reinstated after the licensee pays a
20 fee of Two Hundred Fifty Dollars (\$250.00) and no reexamination
21 shall be required. After the license has been inactive for more
22 than twelve (12) months, the license shall be terminated. The
23 Department shall only terminate a license that failed to renew after
24 the twelve-month inactive period required under this subsection and

1 upon notification by first-class mail ninety (90) days prior to
2 termination of any license. The provisions of this subsection shall
3 not apply to a licensee that willfully and knowingly violates any
4 provision of this Code as to which refusal, suspension or revocation
5 is mandatory.

6 SECTION 9. AMENDATORY 36 O.S. 2011, Section 6220, as
7 last amended by Section 10, Chapter 294, O.S.L. 2019 (36 O.S. Supp.
8 2020, Section 6220), is amended to read as follows:

9 Section 6220. A. The Commissioner may censure, suspend,
10 revoke, or refuse to issue or renew a license after hearing for any
11 of the following causes:

12 1. Material misrepresentation or fraud in obtaining an
13 adjuster's license;

14 2. Any cause for which original issuance of a license could
15 have been refused;

16 3. Misappropriation, conversion to the personal use of the
17 licensee, or illegal withholding of monies required to be held by
18 the licensee in a fiduciary capacity;

19 4. Material misrepresentation of the terms and effect of any
20 insurance contract, with intent to deceive, or engaging in, or
21 attempting to engage in, any fraudulent transaction with respect to
22 a claim or loss that the licensee or the trainee is adjusting and,
23 in the case of a public adjuster, misrepresentation of the services
24 offered or the fees or commission to be charged;

1 5. Conviction of or pleading guilty or nolo contendere to a
2 felony pursuant to the laws of this state, any other state, the
3 United States, or any foreign country;

4 6. If in the conduct of business affairs, the licensee or
5 trainee has shown himself to be, and is so deemed by the
6 Commissioner, incompetent, untrustworthy or a source of injury to
7 the public;

8 7. Refusal to comply with any lawful order of the Commissioner;

9 8. Violation of any provision of the Insurance Adjusters
10 Licensing Act;

11 9. Adjusting losses or negotiating claim settlements arising
12 pursuant to provisions of insurance contracts on behalf of an
13 insurer or insured without proper licensing from the Commissioner
14 and authority from the licensed insurer or the insured party;

15 10. Failing to respond to any inquiry (including electronic
16 communications) from the Department within thirty (30) calendar days
17 of receipt of such inquiry;

18 11. Forging another's name to any document;

19 12. Improperly using notes or any other reference material to
20 complete an examination for an insurance license;

21 13. Having admitted or been found to have committed any
22 insurance unfair trade practice or insurance fraud;

1 14. Having an insurance adjuster license or its equivalent
2 denied, suspended, censured, placed on probation or revoked in any
3 other state, province, district or territory;

4 15. Failing to inform the Department, by any means acceptable
5 to the Department, of a change of address, change of legal name or
6 change of information submitted on the application within thirty
7 (30) days of the change; or

8 16. Providing services as a public adjuster, company adjuster
9 or independent adjuster on the same claim.

10 B. In addition to or in lieu of any applicable denial,
11 suspension, or revocation of a license, any person violating the
12 provisions of the Insurance Adjusters Licensing Act may be subject
13 to a civil fine of not more than One Thousand Dollars (\$1,000.00)
14 for each violation. This fine may be enforced in the same manner in
15 which civil judgment may be enforced.

16 C. If the license of an adjuster is suspended, revoked, or not
17 renewed, the licensee shall surrender the license to the
18 Commissioner.

19 D. The Commissioner shall not reinstate a license to any person
20 whose license has been suspended, revoked, or refused renewal until
21 the Commissioner determines that the cause or causes for the
22 suspension, revocation, or nonrenewal of the license no longer
23 exist.

1 E. The Department shall retain the authority to enforce the
2 provisions of and impose any penalty or remedy authorized by this
3 title against any person who is under investigation for or charged
4 with a violation even if the person's license or registration has
5 been surrendered or has lapsed by operation of law.

6 F. It shall be unlawful for any person, firm, association,
7 company or corporation to act as an adjuster without first obtaining
8 a license pursuant to the Insurance Adjusters Licensing Act. Any
9 person convicted of violating the provisions of this subsection
10 shall be guilty of a misdemeanor and shall be punished as set forth
11 in Section 10 of Title 21 of the Oklahoma Statutes. The restriction
12 set forth in this subsection shall apply regardless of whether the
13 person, firm, association, company or corporation has obtained power
14 of attorney from an insurance claimant or has entered into any other
15 agreement with an insurance claimant to act on the behalf of the
16 claimant.

17 G. If the licensee fails to qualify for a renewal, the license
18 shall be inactive. If the license has been inactive for less than
19 twelve (12) months and the licensee meets the requirements for
20 renewal, the license shall be reinstated after the licensee pays a
21 fee of Two Hundred Fifty Dollars (\$250.00) and no reexamination
22 shall be required. After the license has been inactive for more
23 than twelve (12) months, the license shall be terminated. The
24 Department shall only terminate a license that failed to renew after

1 the twelve-month inactive period required under this subsection and
2 upon notification by first-class mail ninety (90) days prior to
3 termination of any license. The provisions of this subsection shall
4 not apply to a licensee that willfully and knowingly violates any
5 provision of this Code as to which refusal, suspension or revocation
6 is mandatory.

7 SECTION 10. AMENDATORY 36 O.S. 2011, Section 6560, is
8 amended to read as follows:

9 Section 6560. A. ~~A~~ Except as otherwise provided in this
10 section, a certificate expires is inactive on the first anniversary
11 of its effective date unless the certificate is renewed for a one-
12 year term as provided in this section.

13 B. Before the certificate ~~expires~~ is inactive, a certificate
14 may be renewed for an additional one-year term, if the applicant:

- 15 1. Otherwise is entitled to the certificate;
- 16 2. Pays the Insurance Commissioner an annual renewal fee in the
17 amount of Five Hundred Dollars (\$500.00);
- 18 3. Submits to the Commissioner:
 - 19 a. a renewal application on the form that the
20 Commissioner requires, and
 - 21 b. satisfactory evidence of compliance with any
22 requirement for certificate renewal;
- 23 4. Establishes and maintains a complaint system which has been
24 approved by the Commissioner and which provides reasonable

1 procedures for the resolution of written complaints concerning
2 utilization review; and

3 5. Maintains records of written complaints for five (5) years
4 from the time the complaints are filed and submits to the
5 Commissioner a summary report at such times and in such format as
6 the Commissioner may require.

7 C. If the applicant fails to qualify for a renewal as provided
8 in subsection B of this section, the certificate shall be inactive.
9 If the certificate has been inactive for less than twelve (12)
10 months and the applicant meets the requirements for renewal, the
11 certificate shall be reinstated after the applicant pays a fee of
12 Two Hundred Fifty Dollars (\$250.00) and no reexamination shall be
13 required. After the certificate has been inactive for more than
14 twelve (12) months, the certificate shall be terminated. The
15 Department shall only terminate a certificate that failed to renew
16 after the twelve-month inactive period required under this
17 subsection and upon notification by first-class mail ninety (90)
18 days prior to termination of any certification. The provisions of
19 this subsection shall not apply to an applicant that willfully and
20 knowingly violates any provision of this Code as to which refusal,
21 suspension or revocation is mandatory.

22 SECTION 11. AMENDATORY 36 O.S. 2011, Section 6561, is
23 amended to read as follows:
24

1 Section 6561. A. The Insurance Commissioner may refuse to
2 issue or renew or may suspend or revoke a certificate if the holder
3 does not comply with performance assurances under this section,
4 violates any provision of the Hospital and Medical Services
5 Utilization Review Act, or violates any rule adopted pursuant
6 thereto.

7 B. The Commissioner shall deny or refuse to renew a certificate
8 to any applicant if, upon review of the application, the
9 Commissioner finds that the applicant proposing to conduct
10 utilization review does not:

11 1. Have available the services of a sufficient number of
12 qualified medical professionals supervised by appropriate health
13 care providers to carry out the applicant's utilization review
14 activities. Said sufficiency shall be based on standards and
15 criteria pursuant to the provisions of subparagraph b of paragraph 1
16 of Section ~~6~~ 6558 of this ~~act~~ title;

17 2. Meet any applicable rules the Commissioner adopted pursuant
18 to the Hospital and Medical Services Utilization Review Act relating
19 to the qualifications of private review agents or the performance of
20 utilization review; and

21 3. Provide assurances satisfactory to the Commissioner that:

22 a. the procedure and policies of the private review agent
23 shall protect the confidentiality of medical records,
24 and

1 b. the review agent shall be reasonably accessible in
2 this state to patients, hospitals and health care
3 providers as required by this act.

4 C. Before denying, not renewing, or revoking a certificate, the
5 Commissioner shall provide the applicant or certificate holder with
6 reasonable time to supply additional information demonstrating
7 compliance with the requirements of the Hospital and Medical
8 Services Utilization Review Act and the opportunity to request a
9 hearing. If an applicant or certificate holder requests a hearing,
10 the Commissioner shall send a hearing notice and conduct a hearing
11 in accordance with the Administrative Procedures Act.

12 D. Any person aggrieved by a final decision of the Commissioner
13 in a contested case may appeal the decision as provided for in the
14 Administrative Procedures Act.

15 E. If the applicant fails to qualify for a renewal as provided
16 in subsection B of this section, the certificate shall be inactive.
17 If the certificate has been inactive for less than twelve (12)
18 months and the applicant meets the requirements for renewal, the
19 certificate shall be reinstated after the applicant pays a fee of
20 Two Hundred Fifty Dollars (\$250.00) and no reexamination shall be
21 required. After the certificate has been inactive for more than
22 twelve (12) months, the certificate shall be terminated. The
23 Department shall only terminate a certificate that failed to renew
24 after the twelve-month inactive period required under this

1 subsection and upon notification by first-class mail ninety (90)
2 days prior to termination of any certification. The provisions of
3 this subsection shall not apply to an applicant that willfully and
4 knowingly violates any provision of this Code as to which refusal,
5 suspension or revocation is mandatory.

6 SECTION 12. AMENDATORY 59 O.S. 2011, Section 1304, as
7 amended by Section 1, Chapter 150, O.S.L. 2013 (59 O.S. Supp. 2020,
8 Section 1304), is amended to read as follows:

9 Section 1304. A. Each bail bondsman license issued shall
10 expire inactivate biennially at 12:00 o'clock midnight on the last
11 day of the birth month of the bondsman, unless revoked or suspended
12 prior thereto by the Insurance Commissioner.

13 B. If the bondsman fails to qualify for a renewal, the license
14 shall be inactive. If the license has been inactive for less than
15 twelve (12) months and the bondsman meets the requirements for
16 renewal, the license shall be reinstated after the bondsman pays a
17 fee of Two Hundred Fifty Dollars (\$250.00) and no reexamination
18 shall be required. After the license has been inactive for more
19 than twelve (12) months, the license shall be terminated. The
20 Department shall only terminate a license that failed to renew after
21 the twelve-month inactive period required under this subsection and
22 upon notification by first-class mail ninety (90) days prior to
23 termination of any license. The provisions of this subsection shall
24 not apply to a bondsman that willfully and knowingly violates any

1 provision of this Code as to which refusal, suspension or revocation
2 is mandatory.

3 SECTION 13. AMENDATORY 59 O.S. 2011, Section 1308.1, as
4 amended by Section 1, Chapter 259, O.S.L. 2019 (59 O.S. Supp. 2020,
5 Section 1308.1), is amended to read as follows:

6 Section 1308.1 A. In order to be eligible to take the
7 examination required to be licensed as a bail bondsman, each person
8 shall complete not less than sixteen (16) clock hours of education
9 in subjects pertinent to the duties and responsibilities of a bail
10 bondsman, including all laws and regulations related thereto.

11 Further, each licensee shall complete biennially not less than
12 sixteen (16) clock hours of continuing education in the subjects
13 prior to renewal of the license, provided that licensees that have
14 maintained a license as a bail bondsman for twenty (20) or more
15 years shall be exempt from any continuing education requirements.

16 Such continuing education shall not include a written or oral
17 examination.

18 Provided, any person licensed as a bail bondsman prior to
19 November 1, 1989, shall not be required to complete sixteen (16)
20 clock hours of education prior to licensure but shall be subject to
21 the sixteen-hour continuing education requirement in order to renew
22 the license, except that a licensed bail bondsman who is sixty-five
23 (65) years of age or older and who has been licensed as a bail
24

1 bondsman for fifteen (15) years or more shall be exempt from both
2 the education and continuing education requirements of this section.

3 B. Education shall be provided for bail bondsman licensure as
4 required by this section; provided that the Insurance Commissioner
5 shall approve the courses offered and provided further such
6 education meets the general standards for education established by
7 the Insurance Commissioner.

8 The education provider shall submit biennially a fee of Two
9 Hundred Dollars (\$200.00), payable to the Insurance Commissioner,
10 which shall be deposited with the State Treasurer for the purposes
11 of fulfilling and accomplishing the conditions and purposes of this
12 section.

13 C. Any person who falsely represents to the Insurance
14 Commissioner that compliance with this section has been met shall be
15 subject, after notice and hearing, to the penalties and fines set
16 out in Section 1310 of this title.

17 D. The Commissioner shall adopt and promulgate such rules as
18 are necessary for effective administration of this section.

19 SECTION 14. AMENDATORY 59 O.S. 2011, Section 1309, as
20 last amended by Section 3, Chapter 110, O.S.L. 2015 (59 O.S. Supp.
21 2020, Section 1309), is amended to read as follows:

22 Section 1309. A. A renewal license shall be issued by the
23 Insurance Commissioner to a licensee who has continuously maintained
24 same in effect, without further examination, upon payment of a

1 renewal fee of Two Hundred Dollars (\$200.00) for a cash, property,
2 surety, or professional bail bondsman or One Thousand Dollars
3 (\$1,000.00) for a multicounty agent bondsman, and proof of
4 completion of sixteen (16) hours of continuing education as required
5 by Section 1308.1 of this title. The renewal fee for licenses
6 expiring September 15, 2012, shall be prorated to the birth month of
7 the bondsman. Thereafter the renewal fee shall be submitted
8 biennially by the last day of the birth month of the bondsman. Such
9 licensee shall in all other respects be required to comply with and
10 be subject to the provisions of Section 1301 et seq. of this title.

11 B. An individual holding a professional bondsman license or
12 multicounty agent bondsman license shall also provide an annual
13 audited financial statement prepared by an accounting firm or
14 individual holding a permit to practice public accounting in this
15 state in accordance with the Statements on Auditing Standards
16 promulgated by the Auditing Standards Board of the American
17 Institute of Certified Public Accountants showing assets,
18 liabilities, and net worth, the annual statement to be as of a date
19 not earlier than June 30. The statements shall be attested to by an
20 unqualified opinion of the accounting firm or individual holding a
21 permit to practice public accounting in this state that prepared the
22 statement or statements. The statement shall be submitted annually
23 by the last day of September.

24

C. An individual holding a property bondsman license shall also provide an annual county assessor's written statement stating the property's assessed value for each property used to post bonds and a written statement from any lien holder stating the current payoff amount on each lien for each property used to post bonds. The written statements shall be submitted annually by the last day of September.

D. If the license is not renewed or the renewal fee is not paid by the last day of the birth month of the bondsman, the license shall ~~expire~~ inactivate automatically pursuant to Section 1304 of this title. ~~After expiration, the license may be reinstated for up to one (1) year following the expiration date. If after the one-year date the license has not been reinstated, the licensee shall be required to apply for a license as a new applicant.~~

E. Reinstatement fees shall be double the original fee.

SECTION 15. This act shall become effective November 1, 2021.

Passed the House of Representatives the 11th day of March, 2021.

Presiding Officer of the House
of Representatives

Passed the Senate the day of , 2021.

Presiding Officer of the Senate