

**TITLE 365. INSURANCE DEPARTMENT
CHAPTER 1. ADMINISTRATIVE OPERATIONS**

RULEMAKING ACTION:

PERMANENT final adoption

RULES:

Subchapter 1.	General Provisions
365:1-1-2.	Office of the Insurance Commissioner [AMENDED]
Subchapter 9.	Description of Forms and Instructions
365:1-9-11.	Applications [AMENDED]
365:1-9-13.	Suggested language for agents <u>producers</u> bonds
[AMENDED]	
365:1-9-14.	Producer and adjuster continuing education forms
[REVOKED]	
365:1-9-15.1.	License renewals and reinstatements [AMENDED]
365:1-9-16.	Agents license <u>Producer licensing forms</u> [AMENDED]

AUTHORITY:

Insurance Commissioner, 36 O.S. §§ 307.1 and 1435.29.

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n/a

INCORPORATIONS BY REFERENCE:

n/a

ANALYSIS:

The amendment to 365:1-1-2 updates the general description of the principal operating units of the office of Insurance Commissioner. The amendment to 365:1-9-11 updates the type of applications needed to be completed by applicants for certain licenses to be granted by the Insurance Department. The amendments to 365:1-9-13 and 365:1-9-16 strike the word "agent" in the title and throughout the sections and replaces it with the word "producer" as this is the term of art used to denote a person who sells insurance to a consumer. Section 365:1-9-14 is being revoked to promote uniformity and reciprocity with other states. The amendment to 365:1-9-15.1 removes the language for a renewal period and submission and changes the license reinstatement period from a ninety-day period to a period of within one year after the expiration date. It also states that a reinstatement fee shall be double the license fee.

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PURSUANT TO THE ACTIONS DESCRIBED HEREIN, THE FOLLOWING RULES ARE CONSIDERED FINALLY ADOPTED AS SET FORTH IN 75 O.S., SECTION 308.1(A), WITH AN EFFECTIVE DATE OF JULY 14, 2011:

SUBCHAPTER 1. GENERAL PROVISIONS

365:1-1-2. Office of the Insurance Commissioner

The office of the Insurance Commissioner is composed of the Insurance Commissioner and such employees as are required and provided for by law. The Insurance Commissioner exercises executive and administrative supervision over the Office of the Insurance Commissioner.

(1) **General description of organization.** The office of the Insurance Commissioner is divided into divisions.

(2) **Administrative Services Division.** The Administrative Services Division is responsible for various administrative services as directed by the Insurance Commissioner including personnel, mail, and file maintenance.

(3) **Licensing Division.** The Licensing Division is responsible for determining whether applicants for bail bond licenses, insurance producers, limited lines producers, insurance adjusters, life, accident and health insurance brokers and insurance consultants licenses meet the qualifications set forth in the statutes of the State of Oklahoma and is also responsible for administering the examinations given as required to applicants and for issuing renewal licenses. The Licensing Division is also responsible for monitoring continuing education requirements.

(4) **Bail Bond Division.** The Bail Bond Division is responsible for ~~actions given to all bail-bondsmen~~ processing of monthly reports for each type of license held by ~~bondsman~~ bondsmen, collection of ~~2/10 of 1% renewal fee~~ of new liability written monthly, enforce statutory deposit requirements of professional bondsmen and initial investigation of complaints regarding possible violation of statutes.

(5) **Consumer Assistance and Claims Division.** The Consumer Assistance and Claims Division ~~processing processes~~ and ~~investigating~~ investigates all complaints lodged against insurance companies and other persons/entities by the public. Further,

this division answers all routine requests for information concerning insurance companies and insurance policies.

(6) **Comptroller Division.** The Comptroller Division is composed of the Comptroller and necessary assistants and is responsible for the internal fiscal affairs of the office, including preparation of payroll, purchase of equipment, approval of all travel claims made by staff and keeping of all fiscal records required by law.

(7) **Communications.** The Communications Division is responsible for maintaining and furthering internal and external communications. Among the duties performed in this division are development and management of the Insurance Department website, writing and facilitating news releases, responding to media inquiries, assembling materials to be distributed during public event events, production of consumer assistance and awareness events, designing publications for producers and consumers, and any other communications related duties as needed.

(8) **Executive Division.** The Executive Division, composed of the Insurance Commissioner and necessary assistants, is charged with general supervision of all activities of the office including personnel and internal organization.

(9) **Financial and Examination Division.** The Financial and Examination Division is responsible for determining whether insurance companies and other persons/entities applying for admission to do business in the State of Oklahoma meet the qualifications for admittance as set forth in the statutes of the State of Oklahoma. This division, through outside contract examiners, is responsible for conducting the statutory examination of all domestic and foreign insurance companies and other persons/entities and collects all premium taxes and statutory fees due the State. This division is also responsible for the review and analysis of all annual and quarterly financial statements of insurance companies as required by the statutes of the State of Oklahoma.

(10) **Information Technology Division.** The Information Technology Division is responsible for providing all internal data processing services to the other divisions of the Insurance Department. Further, this division provides the public with both summaries and detailed information on many of the records maintained by the Insurance Department. (11) **Legal and Investigation Division.**(A) The Legal Division is composed of the General Counsel and Assistant General Counsels who are the chief attorneys for the Insurance Commissioner and the other divisions within the Oklahoma Insurance Department on legal matters. The Legal Division defends and prosecutes all proceedings held before the Insurance Commissioner ;. The Legal Division is charged with the duty of representing the Insurance Commissioner in the courts in matters which are a part of his/her official duties.

(B) The Investigation Division is responsible for investigating complaints against licensed insurance entities and if evidence is found of wrongdoing or non-compliance with the insurance laws of the State of Oklahoma forwarding its findings to the Legal Division,.

(C) The Anti-Fraud Unit is within the Legal and Investigation Division. Its investigators are commissioned by the Insurance Commissioner to serve as peace officers who are responsible for investigating violations of statute or administrative rules of this state pertaining to insurance fraud.

(12) **Rate and Form Compliance Division.** The Rate and Form Compliance Division is responsible for the receipt of life, annuity, accident and health policy

forms and property and casualty policy forms, manual rules and rates. The Division determines whether such documents conform to the statutes of the State of Oklahoma. The Division is also responsible for determining whether advisory organizations applying for admission to do business in the State of Oklahoma meet the qualifications for admittance as set forth in the statutes of the State of Oklahoma. All references to Life, Accident and Health Division or Property and Casualty Division shall mean Rate and Form Compliance Division.

(13) **Real Estate Appraisers Division.** The Real Estate Appraisers Division is responsible for determining whether applicants for real estate appraiser licensure/certification meet the qualifications set forth in the statutes of the State of Oklahoma and for administering the examinations given to all real estate appraisers.

(14) **Senior Health Care Programs Division.** The Senior Health Care Programs Division is composed of two federal grant programs, SHICP and SUMMIT. The Senior Health Insurance Counseling Program (SHICP) is responsible for providing information, counseling and assistance to Medicare and Medicaid beneficiaries so they may understand and access their health care benefits. SUMMIT Medicare/Medicaid Fraud, Abuse and Waste Program focuses on reducing Medicare/Medicaid fraud, abuse and waste by enhancing public awareness through community presentations and public education. Both programs train volunteers to assist with the programs' mission.

(15) **Utilization Review Division.** The Utilization Review Division is responsible for determining whether applicants for Utilization Review Certificates of Registration meet the qualifications set forth in the statutes of the State of Oklahoma.

SUBCHAPTER 9. DESCRIPTION OF FORMS AND INSTRUCTIONS

365:1-9-11. Applications

The Unless otherwise provided by electronic means by the Insurance Commissioner or an administrator approved by the Commissioner, the following applications must be completed by the person(s) making application and upon completion, must comply with the applicable Oklahoma statutes:

- ~~(1) Application for Resident Insurance License (IL-1).~~
- ~~(2) Application for Non-Resident Insurance License (IL-1).~~
- ~~(3) Application for Insurance License for Partnership or Corporation (R-3).~~
- (1) NAIC Uniform Application for Individual Insurance Producer License.
- (2) NAIC Uniform Business Entity Application or NAIC Uniform Non-Resident Agency Application.
- ~~(4) (3) Application for License as Third Party Administrator (TPA-1).~~
- ~~(5) (4) Application for Corporate License as Third Party Administrator (TPA-2).~~
- ~~(6) (5) Application for License as Insurance Adjuster (CR-1).~~
- ~~(7) (6) Application for License as Insurance Consultant (IC-1).~~
- ~~(8) (7) Application for License as Managing General Agent or Agency (MGA).~~
- ~~(9) Application for Resident Insurance Broker's License (IL-1).~~

(8) Application for Resident Insurance Brokers License should be made using either the NAIC Uniform Application for Individual Insurance Producer License or NAIC Uniform Non-Resident Agency Application.

(10) (9) Catastrophe Registration as Emergency Insurance Adjuster (EIA).

(11)(10) Application for Customer Service Representative (IL-1).

365:1-9-13. Suggested language for agents producers bonds

(a) **Insurance Bond.** The Insurance Bond form provides suggested language for preparing an insurance bond.

(b) **Insurance Brokers Bond.** The Insurance Brokers Bond form provides suggested language for preparing an insurance brokers bond.

(c) **Insurance Consultants Bond.** The Insurance Consultants Bond form provides suggested language for preparing an insurance consultants bond.

(d) **Non-Resident Agents License Bond.** The Non-Resident Agents License Bond form provides suggested language for preparing a non-resident agents insurance bond.

(e) **Public Adjusters Bond.** The Public Adjusters Bond form provides suggested language for preparing a public adjusters bond.

(f) **Third Party Administrators Bond.** The Third Party Administrators Bond form provides suggested language for preparing a third party administrators bond.

365:1-9-14. Producer and adjuster continuing education forms [REVOKED]

~~(a) — **Form Approval.** The Insurance Commissioner shall approve forms to be used by providers of continuing education courses for producers and adjusters. Notice of any form changes shall be given to providers no less than 30 days before the effective date of form revisions.~~

~~(b) — **Provider Application.** A provider application shall be submitted and approved in order to provide continuing education courses to producers and adjusters.~~

~~(c) — **Course Approval Request.** The request for course approval shall be submitted on a course approval request form. The form and attachments are required the first day of the month one full month before the first course offering.~~

~~(d) — **Course Completion.** A list of producers and adjusters successfully completing a course must be submitted by the provider and received by the Commissioner within ten (10) business days from the ending date of the course. The form shall include an affidavit from the provider certifying that the producers or adjusters appearing on the list have been positively identified, have completed the course, and are entitled to continuing education credits. A copy of the list shall be maintained by the provider for no less than four (4) years.~~

~~(e) — **Certificate of Course Completion (CE-5).** Each student successfully completing a course shall be provided a certificate of course completion.~~

~~(f) — **Schedule of Course Offerings.** The provider shall submit notification to the Insurance Department confirming the date, time, location and instructors for approved course offerings that are not a self-study format.~~

~~(g) — **Notice of Approved Course to be Repeated (CE-6).** The provider shall submit notification to the Insurance Department at least fourteen (14) days prior to the beginning date of the approved course to confirm time, location, date and instructor(s).~~

~~(h) — **Instructor Qualification.** An instructor qualification form shall be filed for each instructor or speaker for a continuing education course.~~

~~(i) — **Course Evaluation.** The provider shall submit a course evaluation form completed by each producer or adjuster listed on the course completion form. The course evaluation form shall be received by the Commissioner within ten (10) business days from the ending date of the course.~~

365:1-9-15.1. License renewals and reinstatements

~~(a) **Proof of courses.** As a prerequisite for submission of a renewal or reinstatement application, when requested by the Insurance Commissioner, each licensee must submit Certificate(s) of Course Completion with said application to equal shall have completed the total number of continuing education hours required.~~

~~(b) — **Renewal period and required submissions.** Renewals will be accepted up to ninety days after the expiration date with a properly completed renewal form, proof of course completion and double the license fee.~~

~~(e)(b) **Required submissions for reinstatement after ninety days.** After the license expires the ninety-day period and within before one two years year after the license expiration date, a licensee shall be eligible for reinstatement by submitting completing required Continuing Education and submitting a new application and double the license fee. applicable fees. A licensee shall not be eligible for reinstatement if previously the license was revoked, suspended or continuance was denied.~~

~~(d)(c) **Insurance adjusters.** This section shall also apply to insurance adjusters as defined by the Insurance Code.~~

365:1-9-16. Agents license Producer licensing forms

(a) **Licenses.** The license form is executed under the hand and seal of the Insurance Commissioner and delivered. This form is evidence of an agent's a producer's authority to transact business within Oklahoma.

(b) **Insurance Consultant License Certificate.** The Insurance Consultant License Certificate is executed under the hand and seal of the Insurance Commissioner and delivered. This form is evidence of an individual's authority to act as an insurance consultant in the State of Oklahoma.

(c) **Life or Accident and Health Insurance Broker License Certificate.** The Life or Accident and Health Insurance Broker License Certificate is executed under the hand and seal of the Insurance Commissioner and delivered. This form is evidence of an individual's authority to act as an insurance broker in the State of Oklahoma.

(d) **Managing General Agent's License.** The Managing General Agent's License is executed under the hand and seal of the Insurance Commissioner and delivered. This form is evidence of an individual's authority to act as a managing general agent in the State of Oklahoma.

(e) **Temporary Insurance Agent's Producer's License.** The Temporary Insurance Agent's Producer's License is executed under the hand and seal of the Insurance Commissioner and delivered. This form is evidence of an individual's authority to act as a temporary insurance agent in the State of Oklahoma. The appointing company that requests the license may receive a temporary license after completion of a properly completed application and an affidavit as prescribed by the Insurance Commissioner. The

temporary license shall be valid for up to ~~thirty~~ one hundred eighty (180) days from the date of issuance, or until the applicant takes passes the license examination, whichever time is shorter.

(f) **Third Party Administrator License Certificate.** The Third Party Administrator License Certificate is executed under the hand and seal of the Insurance Commissioner and delivered. This form is evidence of an individual's authority to act as a third party administrator in the State of Oklahoma.

(g) **Renewal Notice.** The ~~Agent's~~ Producer Licensing Division of the Insurance Department ~~sends the~~ may send a Renewal Notice ~~form~~ to ~~agents~~ producers to remind them to comply with renewal requirements by either electronic or paper means.