

**TITLE 365. INSURANCE DEPARTMENT**  
**CHAPTER 25. LICENSURE OF PRODUCERS, ADJUSTERS, BAIL BONDSMEN,**  
**COMPANIES, PREPAID FUNERAL BENEFITS, AND VIATICAL SETTLEMENTS**  
**PROVIDERS AND BROKERS**

**INTENDED RULEMAKING ACTION:**

Notice of proposed PERMANENT rulemaking

**PROPOSED RULES:**

- Subchapter 3. Producers, Brokers, Limited Lines Producers and Vehicle  
Protection Product Warrantors
- 365:25-3-1.2. Provisional Producer Licensees [AMENDED]
  - 365:25-3-14. Insurance Adjusters Continuing Education [AMENDED]
  - 365:25-3-15. Variable Annuity Licensing [AMENDED]
  - 365:25-3-16. Examination Exemptions [AMENDED]
  - 365:25-3-21. Training and Education Requirements for the Sale of Annuities
- [NEW]
- Subchapter 5. Bail Bondsmen
- Part 5. General Provisions Pertaining to Bail Bondsmen
- 365:25-5-39. Affidavit as to undertaking [AMENDED]
  - 365:25-5-40. Computation of time in 59 O.S. § 1332 [AMENDED]
  - 365:25-5-44. Notice of return to custody [NEW]
- Part 7. Specific Financial Circumstances Warranting Release of  
Professional Deposit [NEW]
- 365:25-5-50. Authority and scope [NEW]
  - 365:25-5-51. Specific financial circumstances enumerated [NEW]
  - 365:25-5-52. Time governing release of professional deposit [NEW]
  - 365:25-5-53. Limitations upon release of professional deposit below applicable  
limits [NEW]
  - 365:25-5-54. Review of bail bondsmen's administrative history before release of  
professional deposit [NEW]
  - 365:25-5-55. Denial of request if bail bondsman has prior forfeitures [NEW]
  - 365: 25-5-56. Limits on outstanding liabilities [NEW]
  - 365: 25-5-57. Commissioner discretion to release amount less than requested
- [NEW]
- 365: 25-5-58. Approval of final order by Commissioner [NEW]
- Subchapter 9. Prepaid Funeral Benefits
- 365:25-9-3. Forms [AMENDED]
- Appendix C. Application for Original Permit [NEW]
- Appendix M. Application for Renewal of Permit [NEW]
- Appendix X. Sellers Notice to the Insurance Commissioner [NEW]
- Appendix Y. Assumption Affidavit [NEW]

**SUMMARY:**

The amendment to Section 365:3-1.2 increases the number of provisional licensees that a producer may sponsor from five (5) to ten (10) provisional licensees per sponsoring producer.

The amendment to Section 365:25-3-14 sets forth continuing education requirements and requires at least two of the adjuster continuing education credit hours to be state or federal legislative updates. The amendment to Section 365:25-3-15 provides that applicants for a variable annuity license are required to provide proof of current FINRA registration with series 6 or 7 and series 63 or 66, and pay an additional fee for the variable license. Company endorsements are no longer required with submission of a variable annuity application. The addition to Section 365:25-3-16 exempts multi-peril crop adjusters certified by the Federal Risk Management Agency from licensure if working on, or on behalf of, the Federal Crop Insurance Corporation. New Section 365:25-3-21 requires producers to hold a Life producer license before selling, soliciting or negotiating fixed or indexed annuities. The rule requires producers who sell, solicit or negotiate variable annuities to hold a variable annuity license as required by state law. In addition, the rule requires training for all producers who sell, solicit or negotiate fixed, indexed or variable annuities. The rule specifies a difference between the initial four (4) hours of training, which is not Continuing Education approved, and reduces the eight (8) hours for future renewal periods to four (4) hours, which is Continuing Education approved.

The amendment to Section 365:25-5-39 requires provisions regarding an Affidavit as to Undertaking to be mandatory rather than permissive so as to conform to mandatory language in 59 O.S. §1322. The amendment to Section 365:25-5-40 accommodates court clerks using electronic certified mail which has been introduced by the United States Postal Service and allows for certain dates of receipt to be evidenced electronically. The new Section 365:25-5-44 requires a bondsman to notify the court clerk of the county where the forfeiture occurred of the return of the defendant to custody for the purposes of maintaining an updated status of the case and allowing the clerk to monitor pending criminal cases falling under the disciplinary authority of the Oklahoma Insurance Department.

New Part 7 of Subchapter 5, Specific Financial Circumstances Warranting Release of Professional Deposit, establishes standards and guidelines for “the specific circumstances” the Insurance Commissioner may consider when reviewing a professional bail bondsman’s request for the partial release of deposit, as now allowed by amendments to Section 1306(A)(5) of Title 36 enacted in Senate Bill 406.

The amendment to Section 365:25-9-3 and new Appendices C, M, X and Y incorporate statutory changes, re-enact new versions of the revoked forms and add newly created forms as prescribed by Senate Bill 1231 which increases the background information, including requiring biographies from all parties seeking a Prepaid Funeral benefits permit, and provides that the process of assumption of a prepaid funeral trust will be more transparent and provide more information about the assumption process and the financial fitness and strength of purpose of the acquiring party.

**AUTHORITY:**

Insurance Commissioner, 36 O.S. §§ 307.1, 1435.19, 1435.29(H), and 6123; 59 O.S. §§ 1302(A) and 1306(A)(5).

**COMMENT PERIOD:**

Written or oral comments regarding the proposed rule amendment shall be received on or before February 16, 2010. Comments shall be directed to Melanie Pouncey, Staff Attorney, Oklahoma Insurance Department, P.O. Box 53408, Oklahoma City, Oklahoma 73152-3408.

**PUBLIC HEARING:**

A public hearing regarding the proposed rule amendment will be held February 25, 2010, at 9:30 a.m. at the Oklahoma Insurance Department, 2401 N.W. 23rd Street, Suite 28, Oklahoma City, Oklahoma 73107.

**REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:**

Business entities are requested to provide any increase in costs expected to be incurred due to compliance with the proposed rules. The comments shall be submitted to Melanie Pouncey, Staff Attorney, Oklahoma Insurance Department, at the mailing address above on or before February 16, 2010.

**COPIES OF PROPOSED RULES:**

Copies of the proposed rule amendments may be inspected at the Oklahoma Insurance Department at the physical address listed above. Office hours are from 8:00 a.m. through 5:00 p.m., Monday through Friday. Additional copies of the rules may also be obtained at the Oklahoma Insurance Department.

**RULE IMPACT STATEMENT:**

A rule impact statement will be prepared prior to January 15, 2010, in accordance with 75 O.S. § 303(D). A copy of the statement may be obtained at the physical address above.

**CONTACT PERSON:**

Melanie Pouncey, Staff Attorney, (405) 521-2746.