

RULE IMPACT STATEMENT

1. RULE

Proposed PERMANENT rules:

Title 365.	Insurance Department
Chapter 25.	Licensure of Producers, Adjusters, Bail Bondsmen, Companies, Prepaid Funeral Benefits, and Viatical Settlements Providers and Brokers
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]

2. PURPOSE

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.

3. CLASSES AFFECTED:

- A. Insurance producers
- B. Insurance adjusters

- C. Continuing education providers
- D. Bail bondsmen
- E. Prepaid funeral benefit permit holders and applicants
- F. Life and health insurers
- G. Consumers

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

No information

5. CLASSES BENEFITTED:

- A. Insurance producers
- B. Insurance adjusters
- C. Continuing education providers
- D. Bail bondsmen
- E. Prepaid funeral benefit permit holders and applicants
- F. Life and health insurers
- G. Consumers

6. ECONOMIC IMPACT:

Unknown

7. PROBABLE COST TO AGENCY AND EFFECT ON STATE REVENUES:

None Anticipated

8. SOURCE OF REVENUE:

Normal yearly budgeted funds

9. MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:

None

10. EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

Unknown

11. LESS COSTLY/LESS INTRUSIVE METHODS:

Unknown

12. EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF RULE NOT IMPLEMENTED:

Unknown

13. EFFECT ON SMALL BUSINESS

Implementation of the proposed rule will not have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

14. DATE PREPARED:

January 15, 2010