

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

INTENDED RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 3. Producers, Brokers, and Limited Lines Producers

365:25-3-18. Compensation and education for sale of Medicare Advantage or Medicare private fee for service products and plans [NEW]

SUMMARY:

Proposed rule 365:25-3-18 is new. The rule establishes additional educational requirements for insurance producers selling Medicare Advantage or Medicare private fee for service products and plans. The additional educational requirements ensure that consumers purchasing Medicare Advantage or Medicare private fee for service products are adequately informed about the product by their insurance producer. The compensation restriction prevents insurance producers from taking advantage of quick sales opportunities.

AUTHORITY:

Insurance Commissioner, 36 O.S. §§ 307.1, 1435.19 and 1435.29(H).

COMMENT PERIOD:

Comments shall be received until March 3, 2008. Comments shall be directed to Karl Kramer, First Assistant General Counsel, Oklahoma Insurance Department, P.O. Box 53408, Oklahoma City, Oklahoma 73152-3408.

PUBLIC HEARING:

A public hearing regarding the proposed rules will be held March 4, 2008 at 9:30 am 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 the Commissioner with any increase in costs expected to be incurred due to compliance with the proposed rules. The information shall be submitted to Karl Kramer, First Assistant General Counsel, Oklahoma Insurance Department at the mailing address above before March 3, 2008.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be inspected at the Oklahoma Insurance Department at the physical address listed above. Office hours are from 8:00 am through 5:00 pm, 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 February 1, 2008 in accordance with 75 O.S. § 303 (D). A copy of the statement may be obtained at the above address.

CONTACT PERSON:

Karl Kramer, First Assistant General Counsel, 405-521-2746.

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SUBCHAPTER 3. PRODUCERS, BROKERS AND LIMITED LINES PRODUCERS

365:25-3-18. Compensation and education for sale of Medicare Advantage or Medicare private fee for service products and plans

(a) The provisions of this section shall apply only to insurance companies and producers who solicit, negotiate or sell Medicare Advantage or Medicare private fee for service (PFFS) products and plans.

(b) An insurance company shall not pay or offer to pay compensation to producers based on the number of sales of Medicare Advantage or Medicare private fee for service products and plans.

(c) A producer shall not accept compensation based on the number of sales of Medicare Advantage or Medicare private fee for service products and plans.

(d) Producers who intend to solicit, negotiate or sell Medicare Advantage or Medicare private fee for service products and plans shall complete not less than eight (8) hours of pre-licensing education relating to Medicare Advantage or Medicare private fee for service plans or products in addition to the pre-licensing education requirements of the Insurance Code and Insurance Department rules.

(e) Producers who sell solicit, negotiate or sell Medicare Advantage or Medicare private fee for service products and plans shall biennially complete not less than eight (8) hours of continuing education relating to Medicare Advantage or Medicare private fee for service plans or products in addition to other continuing education required pursuant to the Oklahoma Insurance Code and Insurance Department rules.