

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

RULEMAKING ACTION:

PERMANENT final adoption

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]

AUTHORITY:

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

DATES:

Comment period:

February 1, 2008, to March 3, 2008

Public hearing:

March 4, 2008

Adoption:

March 10, 2008

Submitted to Governor:

March 14, 2008

Submitted to House:

March 14, 2008

Submitted to Senate:

March 14, 2008

Gubernatorial approval:

April 22, 2008

Legislative approval:

Failure of the Legislature to disapprove the rules resulted in approval on May 8, 2008

Final adoption:

May 8, 2008

Effective:

July 14, 2008

SUPERSEDED EMERGENCY ACTIONS:

n/a

INCORPORATION BY REFERENCE:

n/a

ANALYSIS:

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.

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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, 2008

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. An insurance company may pay a commission for each sale, but compensation shall not be tiered or based on a sales threshold.

(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. A producer may receive a commission for each sale, but compensation shall not be tiered or based on a sales threshold.

(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.