

RULE IMPACT STATEMENT

1. RULE

Proposed EMERGENCY rules:

Title 365. Insurance Department	
Chapter 25. Licensure of Producers, Adjusters, Bail Bondsmen, Companies, Prepaid Funeral Benefits, <u>Cemetery Merchandise Trusts</u> , and Viatical Settlements Providers and Brokers	
Subchapter 3. Producers, Brokers, Limited Lines Producers and Vehicle Protection Product Warrantors	
365:25-3-1.	Insurance producers continuing education [AMENDED]
365:25-3-14.	Insurance adjusters continuing education [AMENDED]
Subchapter 23. Cemetery Merchandise Trusts [NEW]	
365:25-23-1.	Purpose [NEW]
365:25-23-2.	Permit required [NEW]
365:25-23-3.	Contract approval [NEW]
365:25-23-4.	Forms [NEW]
365:25-23-5.	Trust fund and trustee [NEW]
365:25-23-6.	Surety bond [NEW]
365:25-23-7.	Reports to trustee [NEW]
365:25-23-8.	Annual report [NEW]

2. PURPOSE

The amendments to sections 365:25-3-1 and 365:25-3-14 change the references to continuing education credit to continuing education. The amendments also add a provision for a reinstatement period for providers of continuing education and exempt nonprofit and not-for-profit organizations from payment of the required provider fee, but do require nonprofit and not-for-profit organizations to submit certain information. The amendment to section 365:25-3-1 allows producers to repeat ethics courses after a certain time period. The amendments to section 365:25-3-14 require adjusters adjusting workers' compensation claims in Oklahoma to complete six (6) hours of continuing education relating to the Oklahoma Workers' Compensation Act. The six hours are part of the twenty-four (24) clock hours of continuing education as set forth in 36 O.S. § 6217(D). Additionally, insurers are required to verify compliance by submission of certain documentation to the Insurance Department. The new Subchapter 23 creates rules for the implementation and regulation of the Cemetery Merchandise Trust Act. New section 365:25-23-1 sets forth the purpose of the subchapter. New section 365:25-23-2 requires any organization accepting money or anything of value for prepaid cemetery merchandise to obtain a permit from the Insurance Department. The rule sets forth reasons that the permit may be denied. New section 365:25-23-3 requires approval by the Insurance Department of contracts use in the sales of cemetery merchandise. New section 365:25-23-4 sets forth the required forms necessary for the Insurance Department to administer and regulate the Cemetery Merchandise Trust Act. New section 365:25-23-5 requires permit holders to inform the Insurance Department of the identity of the trustee if the funds are held in trust. New section 365:25-23-6 sets forth requirements for

permit holders posting surety bonds. New section 365:25-23-7 provides the requirements for the report that must be submitted by each permit holder if the permit holder chooses to provide a summary of the relevant information contained in each contract. New section 365:25-23-8 requires each permit holder to file an annual report with the Insurance Department. The rule lists the information required to be submitted. New section 365:25-23-9 provides requirements that must be submitted to the Insurance Department when there is a sale or transfer of ownership.

3. CLASSES AFFECTED:

- A. Insurance producers
- B. Resident insurance adjusters
- C. Nonresident insurance adjusters
- D. Continuing education providers
- E. Workers' Compensation insurers
- F. Cemetery Merchandise Trusts and Trustees
- G. Entities engaged in the business of selling prepaid cemetery merchandise
- H. Consumers

4. COST IMPACTS ON PRIVATE OR PUBLIC ENTITIES:

No information

5. CLASSES BENEFITTED:

- A. Insurance producers
- B. Resident insurance adjusters
- C. Nonresident insurance adjusters
- D. Continuing education providers
- E. Workers' Compensation insurers
- F. Cemetery Merchandise Trusts and Trustees
- G. Entities engaged in the business of selling prepaid cemetery merchandise
- H. 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:

September 8, 2010