

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 435

6 By: Montgomery

7 COMMITTEE SUBSTITUTE

8 An Act relating to the Service Warranty Act; amending
9 15 O.S. 2021, Section 141.14, which relates to
10 penalties, reports, and administrative fees;
11 modifying administrative fee amount; providing
12 exclusion of certain fee; conforming language; and
13 providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 15 O.S. 2021, Section 141.14, is
16 amended to read as follows:

17 Section 141.14. A. In addition to the license fees provided in
18 the Service Warranty Act for service warranty associations each
19 service warranty association and insurer shall annually, on or
20 before the first day of May, file with the Insurance Commissioner
21 its annual financial statement showing all gross written provider
22 fees or assessments received by it in connection with the issuance
23 of service warranties in this state during the preceding calendar
24 year and other relevant financial information as deemed necessary by

1 the Commissioner. The financial statements required by this
2 subsection must be:

3 1. Audited and prepared in accordance with statutory accounting
4 principles if the applicant complies with the requirements of
5 subsection A of Section 141.6 of this title; or

6 2. Verified under oath of at least two of its principal
7 officers and prepared in accordance with generally accepted
8 accounting principles if the applicant utilizes an insurance policy
9 which satisfies the requirements of subsection B of Section 141.6 of
10 this title.

11 B. The Commissioner may levy a fine of up to One Hundred
12 Dollars (\$100.00) a day for each day an association neglects to file
13 its financial statement in the form and within the time provided by
14 the Service Warranty Act.

15 C. In addition to the annual financial statements required to
16 be filed by subsection A of this section, the Commissioner may
17 require of licensees, under oath and in the form prescribed by it,
18 quarterly statements or special reports which the Commissioner deems
19 necessary for the proper supervision of licensees under the Service
20 Warranty Act.

21 D. Provider fees and assessments received by associations and
22 insurers for service warranties shall not be subject to the premium
23 tax provided in Section 624 of Title 36 of the Oklahoma Statutes,
24 but ~~shall be subject to an administrative fee of equal to two~~

1 ~~percent (2%) of the gross provider fee received on the sale of all~~
2 ~~service warranties issued in this state during the preceding~~
3 ~~calendar quarter. The fees shall be paid quarterly to the Insurance~~
4 ~~Commissioner. However,~~ licensed associations, licensed insurers and
5 entities with applications for licensure as a service warranty
6 association pending with the Department that have contractual
7 liability insurance in place as of March 31, 2009, from an insurer
8 which satisfies the requirements of subsections B and C of Section
9 141.6 of this title and which covers one hundred percent (100%) of
10 the claims exposure of the association or insurer on all contracts
11 written may elect to shall pay an annual administrative fee of Three
12 Thousand Dollars (\$3,000.00) in lieu of the two percent
13 administrative fee Four Thousand Two Hundred Dollars (\$4,200.00).
14 The administrative fee set forth in this section shall not be
15 subject to subsection C of Section 307.3 of Title 36 of the Oklahoma
16 Statutes.

17 SECTION 2. This act shall become effective January 1, 2024.

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