

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1085

By: Adams and Tedford

6
7 COMMITTEE SUBSTITUTE

8 An Act relating to contracts; amending 15 O.S. 2021,
9 Section 141.14, as amended by Section 8, Chapter 225,
10 O.S.L. 2024 (15 O.S. Supp. 2024, Section 141.14),
11 which relates to the Service Warranty Act; modifying
12 administrative fee amount; and providing an effective
13 date.

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

15 SECTION 1. AMENDATORY 15 O.S. 2021, Section 141.14, as
16 amended by Section 8, Chapter 225, O.S.L. 2024 (15 O.S. Supp. 2024,
17 Section 141.14), is amended to read as follows:

18 Section 141.14. A. In addition to the license fees provided in
19 the Service Warranty Act for service warranty associations each
20 service warranty association and insurer shall annually, on or
21 before the first day of May, file with the Insurance Commissioner
22 its annual financial statement as of a date not earlier than three
23 hundred sixty-five (365) days prior to the date submitted showing
24 all gross written provider fees or assessments received by it in

1 connection with the issuance of service warranties in this state
2 during the preceding calendar year and other relevant financial
3 information as deemed necessary by the Commissioner. The financial
4 statements required by this subsection must be:

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

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

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

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

23 D. Provider fees and assessments received by associations and
24 insurers for service warranties shall not be subject to the premium

1 tax provided in Section 624 of Title 36 of the Oklahoma Statutes,
2 but shall be subject to an administrative fee of equal to two
3 percent (2%) of the gross provider fee received on the sale of all
4 service warranties issued in this state during the preceding
5 calendar quarter. The fees shall be paid quarterly to the Insurance
6 Commissioner. However, licensed associations, licensed insurers and
7 entities with applications for licensure as a service warranty
8 association pending with the Insurance Department that have
9 contractual liability insurance in place as of March 31, 2009, from
10 an insurer which satisfies the requirements of subsections B and C
11 of Section 141.6 of this title and which covers one hundred percent
12 (100%) of the claims exposure of the association or insurer on all
13 contracts written may elect to pay an annual administrative fee of
14 Three Thousand Dollars (\$3,000.00) in lieu of the two-percent
15 administrative fee.

16 E. On and after January 1, 2026, the fee assessed pursuant to
17 subsection D of this section shall be equal to one and seventy-five
18 hundredths percent (1.75%) of the gross provider fee received on the
19 sale of all service warranties issued in this state during the
20 preceding calendar quarter, to be paid quarterly or Three Thousand
21 One Hundred Fifty Dollars (\$3,150.00) for insurers and entities
22 eligible for and electing to pay an annual administrative fee in
23 lieu of the percent-based fee. On and after January 1, 2027, the
24 fee assessed pursuant to subsection D of this section shall be equal

1 to one percent (1.00%) of the gross provider fee received on the
2 sale of all service warranties issued in this state during the
3 preceding calendar quarter, to be paid quarterly or Three Thousand
4 Three Hundred Fifty Dollars (\$3,350.00) for insurers and entities
5 eligible for and electing to pay an annual administrative fee in
6 lieu of the percent-based fee. On and after January 1, 2028, the
7 fee assessed pursuant to subsection D shall be equal to Three
8 Thousand Seven Hundred Dollars (\$3,700.00) for all service warranty
9 associations and insurers.

10 SECTION 2. This act shall become effective January 1, 2026.

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