

1 ENGROSSED HOUSE
2 BILL NO. 1085

By: Adams and Tedford of the
House

3 and

4 Coleman of the Senate
5

6
7 An Act relating to contracts; amending 15 O.S. 2021,
8 Section 141.14, as amended by Section 8, Chapter 225,
9 O.S.L. 2024 (15 O.S. Supp. 2024, Section 141.14),
10 which relates to the Service Warranty Act; modifying
11 administrative fee amount; and providing an effective
12 date.

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

14 SECTION 1. AMENDATORY 15 O.S. 2021, Section 141.14, as
15 amended by Section 8, Chapter 225, O.S.L. 2024 (15 O.S. Supp. 2024,
16 Section 141.14), is 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 as of a date not earlier than three
22 hundred sixty-five (365) days prior to the date submitted showing
23 all gross written provider fees or assessments received by it in
24 connection with the issuance of service warranties in this state
during the preceding calendar year and other relevant financial

1 information as deemed necessary by the Commissioner. The financial
2 statements required by this 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 the
18 Commissioner, quarterly statements or special reports which the
19 Commissioner deems necessary for the proper supervision of licensees
20 under the Service 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 Insurance Department that have
7 contractual liability insurance in place as of March 31, 2009, from
8 an insurer which satisfies the requirements of subsections B and C
9 of Section 141.6 of this title and which covers one hundred percent
10 (100%) of the claims exposure of the association or insurer on all
11 contracts written may elect to pay an annual administrative fee of
12 Three Thousand Dollars (\$3,000.00) in lieu of the two-percent
13 administrative fee.

14 E. On and after January 1, 2026, the fee assessed pursuant to
15 subsection D of this section shall be equal to one and seventy-five
16 hundredths percent (1.75%) of the gross provider fee received on the
17 sale of all service warranties issued in this state during the
18 preceding calendar quarter, to be paid quarterly or Three Thousand
19 One Hundred Fifty Dollars (\$3,150.00) for insurers and entities
20 eligible for and electing to pay an annual administrative fee in
21 lieu of the percent-based fee. On and after January 1, 2027, the
22 fee assessed pursuant to subsection D of this section shall be equal
23 to one percent (1.00%) of the gross provider fee received on the
24 sale of all service warranties issued in this state during the

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

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

9 Passed the House of Representatives the 10th day of March, 2025.

11 _____
12 Presiding Officer of the House
13 of Representatives

14 Passed the Senate the ____ day of _____, 2025.

16 _____
17 Presiding Officer of the Senate