

1 **SENATE FLOOR VERSION**

2 April 10, 2025

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 1085

6 By: Adams and Tedford of the  
7 House

8 and

9 Coleman of the Senate

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

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

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

20 Section 141.14. A. In addition to the license fees provided in  
21 the Service Warranty Act for service warranty associations each  
22 service warranty association and insurer shall annually, on or  
23 before the first day of May, file with the Insurance Commissioner  
24 its annual financial statement as of a date not earlier than three  
hundred sixty-five (365) days prior to the date submitted showing  
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. **The administrative fee set forth in this**  
10 **section shall not be subject to subsection C of Section 307.3 of**  
11 **Title 36 of the Oklahoma Statutes.**

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

13 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE  
14 April 10, 2025 - DO PASS AS AMENDED  
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