

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 920

By: Sparks of the Senate

3 and

4 McDaniel (Randy) of the  
5 House

6  
7  
8 ( insurance - Service Warranty Insurance Act -  
9 repealer - effective date -

10 emergency )

11  
12  
13 AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
14 entire bill and insert

15 "An Act relating to insurance; amending 36 O.S. 2001,  
16 Sections 6602, as last amended by Section 17,  
17 Chapter 353, O.S.L. 2008, 6604, as amended by  
18 Section 18, Chapter 353, O.S.L. 2008, 6607, as  
19 amended by Section 20, Chapter 353, O.S.L. 2008,  
20 6608, 6611, 6612, 6615, as last amended by Section  
21 22, Chapter 353, O.S.L. 2008, 6617, as amended by  
22 Section 23, Chapter 353, O.S.L. 2008 and 6620, as  
23 last amended by Section 24, Chapter 353, O.S.L. 2008  
24 (36 O.S. Supp. 2008, Sections 6602, 6604, 6607,  
6615, 6617 and 6620), which relate to the Service  
Warranty Insurance Act; modifying definitions;  
deleting requirements related to registration and  
compliance with criteria; modifying certain  
requirement related to purchase of insurance policy;  
modifying provisions related to certain license fee;  
modifying provisions related to notice of license  
suspension; modifying provisions related to  
authority of certain licensees; modifying provisions

1 related to fees based upon service warranties;  
2 modifying reference to certain sales  
3 representatives; modifying information required to  
4 be provided by service warranty association or  
5 insurers; deleting requirements for certain  
6 information to be provided to Insurance  
7 Commissioner; repealing 36 O.S. 2001, Sections 6619,  
8 as amended by Section 4, Chapter 409, O.S.L. 2002,  
9 6622, as amended by Section 25, Chapter 353, O.S.L.  
10 2008, 6623, 6624 and 6625 (36 O.S. Supp. 2008,  
11 Sections 6619 and 6622), which relate to the Service  
12 Warranty Insurance Act; providing an effective date;  
13 and declaring an emergency.

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

15 SECTION 1. AMENDATORY 36 O.S. 2001, Section 6602, as  
16 last amended by Section 17, Chapter 353, O.S.L. 2008 (36 O.S. Supp.  
17 2008, Section 6602), is amended to read as follows:

18 Section 6602. As used in the Service Warranty Insurance Act:

- 19 1. "Commissioner" means the Insurance Commissioner;
- 20 2. "Consumer product" means tangible personal property  
21 primarily used for personal, family, or household purposes;
- 22 3. "Department" means the Insurance Department;
- 23 4. "Gross income" means the total amount of revenue received in  
24 connection with business-related activity;
5. "Gross written premiums" means the total amount of premiums,  
inclusive of commissions, for which the association is obligated  
under service warranties issued in this state;
6. "Impaired" means having liabilities in excess of assets;

1       7. "Indemnify" means to undertake repair or replacement of a  
2 consumer product or a newly-constructed residential structure,  
3 including any appliances, electrical, plumbing, heating, cooling or  
4 air conditioning systems, in return for the payment of a segregated  
5 premium, when the consumer product or residential structure becomes  
6 defective or suffers operational failure;

7       8. "Insolvent" means any actual or threatened delinquency  
8 including, but not limited to, any one or more of the following  
9 circumstances:

10           a. an association's total liabilities exceed the  
11                association's total assets excluding goodwill,  
12                franchises, customer lists, patents or trademarks, and  
13                receivables from or advances to officers, directors,  
14                employees, salesmen, and affiliated companies. In  
15                order to include receivables from affiliated companies  
16                as assets as defined pursuant to this subparagraph and  
17                paragraph 10 of this section, the service warranty  
18                association shall provide a written guarantee to  
19                assure repayment of all receivables, loans, and  
20                advances from affiliated companies. The written  
21                guarantee must be made by a guaranteeing organization  
22                which:

23  
24

- 1 (1) has been in continuous operation for ten (10)  
2 years or more and has net assets in excess of  
3 Five Hundred Million Dollars (\$500,000,000.00),
- 4 (2) submits a guarantee on a form provided by the  
5 Insurance Commissioner by rule that contains a  
6 provision which requires that the guarantee be  
7 irrevocable, unless the guaranteeing organization  
8 can demonstrate to the Commissioner's  
9 satisfaction that the cancellation of the  
10 guarantee will not result in the net assets of  
11 the service warranty association falling below  
12 its minimum net asset requirement and the  
13 Commissioner approves cancellation of the  
14 guarantee,
- 15 (3) initially submits a statement from a certified  
16 public accountant of the guaranteeing  
17 organization attesting that the net assets of the  
18 guaranteeing organization meets or exceeds the  
19 net assets requirement as provided in division  
20 (1) of this subparagraph and that the net assets  
21 of the guaranteeing organization exceed the  
22 amount of the receivable of the service warranty  
23 association that is being guaranteed by the  
24 guaranteeing organization, and

1 (4) submits annually to the Commissioner, within  
2 three (3) months after the end of its fiscal  
3 year, a statement from an independent certified  
4 public accountant of the guaranteeing  
5 organization attesting that the net assets of the  
6 guaranteeing organization meet or exceed the net  
7 assets requirement as provided in division (1) of  
8 this subparagraph and that the net assets of the  
9 guaranteeing organization exceed the amount of  
10 the receivable of the service warranty  
11 association that is being guaranteed by the  
12 guaranteeing organization,

13 b. the business of any such association is being  
14 conducted fraudulently, or

15 c. the association has knowingly overvalued its assets;

16 9. "Insurer" means any property or casualty insurer duly  
17 authorized to transact such business in this state;

18 10. "Net assets" means the amount by which the total assets of  
19 an association, excluding goodwill, franchises, customer lists,  
20 patents or trademarks, and receivables from or advances to officers,  
21 directors, employees, salesmen, and affiliated companies, exceed the  
22 total liabilities of the association. For purposes of the Service  
23 Warranty Insurance Act, the term "total liabilities" does not  
24 include the capital stock, paid-in capital, or retained earning of

1 an association unless a written guaranty assures repayment and meets  
2 the conditions specified in subparagraph a of paragraph 8 of this  
3 section;

4 11. "Person" includes an individual, company, corporation,  
5 association, insurer, agent and any other legal entity;

6 12. "Premium" means the total consideration received or to be  
7 received, by whatever name called, by a service warranty association  
8 for, or related to, the issuance and delivery of a service warranty,  
9 including any charges designated as assessments or fees for  
10 membership, policy, survey, inspection, or service or other charges.  
11 However, a repair charge is not a premium unless it exceeds the  
12 usual and customary repair fee charged by the association, provided  
13 the repair is made before the issuance and delivery of the warranty;

14 13. "Sales representative" means any person utilized by an  
15 insurer or service warranty association for the purpose of selling  
16 or issuing service warranties ~~and includes any individual possessing~~  
17 ~~a certificate of competency who has the power to legally obligate~~  
18 ~~the insurer or service warranty association or who merely acts as~~  
19 ~~the qualifying agent to qualify the association in instances when a~~  
20 ~~state statute or local ordinance requires a certificate of~~  
21 ~~competency to engage in a particular business;~~

22 14. "Service warranty" means a contract or agreement for a  
23 separately stated consideration for a specific duration to perform  
24 the repair or replacement of property or indemnification for repair

1 or replacement for the operational or structural failure due to a  
2 defect or failure in materials or workmanship, with or without  
3 additional provision for incidental payment of indemnity under  
4 limited circumstances, including, but not limited to, failure due to  
5 normal wear and tear, towing, rental and emergency road service,  
6 road hazard, power surge, and accidental damage from handling or as  
7 otherwise provided for in said contract or agreement; however:

8 a. maintenance service contracts under the terms of which  
9 there are no provisions for such indemnification are  
10 expressly excluded from this definition,

11 b. those contracts issued solely by the manufacturer,  
12 distributor, importer or seller of the product, or any  
13 affiliate or subsidiary of the foregoing entities,  
14 whereby such entity has contractual liability  
15 insurance in place, from an insurer licensed in the  
16 state, which covers one hundred percent (100%) of the  
17 claims exposure on all contracts written without being  
18 predicated on the failure to perform under such  
19 contracts, are expressly excluded from this  
20 definition,

21 c. the term "service warranty" does not include service  
22 contracts entered into between consumers and nonprofit  
23 organizations or cooperatives the members of which  
24 consist of condominium associations and condominium

1 owners, which contracts require the performance of  
2 repairs and maintenance of appliances or maintenance  
3 of the residential property,

4 d. the term "service warranty" does not include  
5 warranties, guarantees, extended warranties, extended  
6 guarantees, contract agreements or any other service  
7 contracts issued by a company which performs at least  
8 seventy percent (70%) of the service work itself and  
9 not through subcontractors, which has been selling and  
10 honoring such contracts in Oklahoma for at least  
11 twenty (20) years, and

12 e. the term "service warranty" does not include  
13 warranties, guarantees, extended warranties, extended  
14 guarantees, contract agreements or any other service  
15 contracts, whether or not such service contracts  
16 otherwise meet the definition of service warranty,  
17 issued by a company which has net assets in excess of  
18 One Hundred Million Dollars (\$100,000,000.00). A  
19 service warranty association may use the net assets of  
20 a parent company to qualify under this section if the  
21 net assets of the company issuing the policy total at  
22 least Twenty-five Million Dollars (\$25,000,000.00) and  
23 the parent company maintains net assets of at least  
24 Seventy-five Million Dollars (\$75,000,000.00) not



1 including the net assets held by the service warranty  
2 associations;

3 15. "Service warranty association" or "association" means any  
4 person, other than an authorized insurer, contractually obligated to  
5 a service contract holder under the terms of a service warranty;  
6 provided, this term shall not mean any person engaged in the  
7 business of erecting or otherwise constructing a new home;

8 16. "Warrantor" means any service warranty association engaged  
9 in the sale of service warranties and deriving not more than fifty  
10 percent (50%) of its gross income from the sale of service  
11 warranties; and

12 17. "Warranty seller" means any service warranty association  
13 engaged in the sale of service warranties and deriving more than  
14 fifty percent (50%) of its gross income from the sale of service  
15 warranties.

16 SECTION 2. AMENDATORY 36 O.S. 2001, Section 6604, as  
17 amended by Section 18, Chapter 353, O.S.L. 2008 (36 O.S. Supp. 2008,  
18 Section 6604), is amended to read as follows:

19 Section 6604. A. No person in this state shall act as a  
20 service warranty association unless licensed by the Insurance  
21 Commissioner.

22 B. A service warranty association shall pay to the Insurance  
23 Department a license fee of Four Hundred Dollars (\$400.00) for such  
24 license for each year, or part thereof, the license is in force.

1 All license fees received pursuant to this subsection shall be paid  
2 into the State Treasury to the credit of the Insurance Commissioner  
3 Revolving Fund and shall be used for the implementation of the  
4 Service Warranty Insurance Act.

5 C. ~~Each business entity that offers to sell service warranty~~  
6 ~~contracts shall be registered by the Insurance Department and shall~~  
7 ~~meet the following criteria:~~

8 1. ~~A registration issued to a business entity that offers to~~  
9 ~~sell service warranty contracts shall encompass each office, branch~~  
10 ~~office, or place of business making use of the entity's business~~  
11 ~~name in order to offer, solicit, and sell service warranty contracts~~  
12 ~~pursuant to this subsection;~~

13 2. ~~The registration application must list the name, address,~~  
14 ~~and phone number for each office, branch office, or place of~~  
15 ~~business that is to be covered by the registration, and the entity~~  
16 ~~shall pay the registration fee for each office, branch office, or~~  
17 ~~place of business where the entity will sell service warranty~~  
18 ~~contracts;~~

19 3. ~~The registered entity shall notify the Department of the~~  
20 ~~name, address, and phone number of any new location that is to be~~  
21 ~~covered by the registration before the new office, branch office, or~~  
22 ~~place of business engages in the sale of service warranty contracts~~  
23 ~~pursuant to this subsection;~~

24

1       ~~4. The registered entity shall notify the Department within~~  
2 ~~thirty (30) days after closing or terminating an office, branch~~  
3 ~~office, or place of business. Upon receipt of the notice, the~~  
4 ~~department shall delete the office, branch office, or place of~~  
5 ~~business from the entity's registration; and~~

6       ~~5. A business entity shall pay to the Department a business~~  
7 ~~entity registration fee of Four Hundred Dollars (\$400.00) for each~~  
8 ~~registration separate and in addition to a service warranty~~  
9 ~~association license fee. All registration fees received pursuant to~~  
10 ~~this subsection shall be paid into the State Treasury to the credit~~  
11 ~~of the Insurance Commissioner Revolving Fund and shall be used for~~  
12 ~~the implementation of the Service Warranty Insurance Act.~~

13       ~~D.~~ An insurer, while authorized to transact property or  
14 casualty insurance in this state, may also transact a service  
15 warranty business without additional qualifications or licensure as  
16 required by the Service Warranty Insurance Act, but shall be  
17 otherwise subject to the provisions of the Service Warranty  
18 Insurance Act.

19       ~~E.~~ D. A service warranty association may appoint an  
20 administrator or other designee to be responsible for any or all of  
21 the administration of service contracts and compliance with ~~this act~~  
22 the Service Warranty Insurance Act.

1        ~~F.~~ E. An agreement which provides specified scheduled  
2 maintenance services over a stated period of time does not  
3 constitute insurance or a service warranty.

4        SECTION 3.        AMENDATORY        36 O.S. 2001, Section 6607, as  
5 amended by Section 20, Chapter 353, O.S.L. 2008 (36 O.S. Supp. 2008,  
6 Section 6607), is amended to read as follows:

7        Section 6607. A. An association licensed pursuant to the  
8 Service Warranty Insurance Act shall maintain a funded, unearned  
9 premium reserve account, consisting of unencumbered assets, equal to  
10 a minimum of twenty-five percent (25%) of the gross written premiums  
11 received on all warranty contracts in force, wherever written. In  
12 the case of multiyear contracts which are offered by associations  
13 having net assets of less than Five Hundred Thousand Dollars  
14 (\$500,000.00) for which premiums are collected in advance for  
15 coverage in a subsequent year, one hundred percent (100%) of the  
16 premiums for such subsequent years shall be placed in the funded,  
17 unearned premium reserve account. Additionally, an association  
18 establishing such reserve account shall also place in trust with the  
19 Insurance Commissioner a surety bond issued by an authorized surety  
20 having a value of not less than five percent (5%) of the gross  
21 premium received, less claims paid, on the sale of the service  
22 warranties for all service contracts issued and in force in this  
23 state, but in no event shall the bond be less than Twenty-five  
24 Thousand Dollars (\$25,000.00).

1           B. An association shall not be required to establish an  
2 unearned premium reserve or demonstrate the minimum ~~net worth~~  
3 writing ratio required by subsection D of this section if it has  
4 purchased an insurance policy which demonstrates to the satisfaction  
5 of the Insurance Commissioner that one hundred percent (100%) of its  
6 claim exposure is covered by such policy and satisfies the  
7 requirements of this section. The insurance shall be obtained from  
8 an insurer that is licensed, registered, or otherwise authorized to  
9 do business in this state and that meets the requirements of  
10 subsection C of this section. For the purposes of this subsection,  
11 the insurance policy shall contain the following provisions:

12           1. In the event that the service warranty association is unable  
13 to fulfill its obligation under contracts issued in this state for  
14 any reason, including insolvency, bankruptcy, or dissolution, the  
15 insurer will pay losses and unearned premiums under such plans  
16 directly to the person making a claim under the contract;

17           2. The insurer issuing the insurance policy shall assume full  
18 responsibility for the administration of claims in the event of the  
19 inability of the association to do so; and

20           3. The policy may not be canceled or not renewed by either the  
21 insurer or the association unless sixty (60) days' written notice  
22 thereof has been given to the Commissioner by the insurer before the  
23 date of such cancellation or nonrenewal.

24

1 C. The insurer providing the insurance policy used to satisfy  
2 the financial responsibility requirements of subsection B of this  
3 section must meet one of the following standards:

4 1. The insurer shall, at the time the policy is filed with the  
5 Commissioner, and continuously thereafter:

6 a. maintain surplus as to policyholders and paid-in  
7 capital of at least Fifteen Million Dollars  
8 (\$15,000,000.00), and

9 b. annually file copies of the audited financial  
10 statements of the insurer, its NAIC Annual Statement,  
11 and the actuarial certification required by and filed  
12 in the state of domicile of the insurer; or

13 2. The insurer shall, at the time the policy is filed with the  
14 Commissioner, and continuously thereafter:

15 a. maintain surplus as to policyholders and paid-in  
16 capital of less than Fifteen Million Dollars  
17 (\$15,000,000.00) but at least equal to Ten Million  
18 Dollars (\$10,000,000.00),

19 b. demonstrate to the satisfaction of the Commissioner  
20 that the company maintains a ratio of net written  
21 premiums, wherever written, to surplus as to  
22 policyholders and paid-in capital of not greater than  
23 three to one, and  
24

1 c. annually file copies of the audited financial  
2 statements of the insurer, its NAIC Annual Statement,  
3 and the actuarial certification required by and filed  
4 in the state of domicile of the insurer.

5 D. No warrantor or warranty seller shall allow its gross  
6 written premiums to exceed seven to one ratio to net assets.

7 E. If the gross written premiums of a warrantor or a warranty  
8 seller exceed the required net asset ratios, the Commissioner may  
9 require, in addition to other measures as the Commissioner deems  
10 necessary, any one or more of the following:

- 11 1. A complete review of financial condition;
- 12 2. An increase in deposit;
- 13 3. A suspension of any new writings; or
- 14 4. Capital infusion into the business.

15 SECTION 4. AMENDATORY 36 O.S. 2001, Section 6608, is  
16 amended to read as follows:

17 Section 6608. A. An application for license as a service  
18 warranty association shall be made to, and filed with, the Insurance  
19 Commissioner on printed forms as prescribed and furnished by the  
20 Insurance Commissioner.

21 B. In addition to information relative to its qualifications as  
22 required under Section 5 6605 of this ~~act~~ title, the Commissioner  
23 may require that the application show:

- 24 1. The location of the home office of the applicant;

1           2. The name and residence address of each director or officer  
2 of the applicant; and

3           3. Such other pertinent information as may be required by the  
4 Commissioner.

5           C. The Commissioner may require that the application, when  
6 filed, be accompanied by:

7           1. A copy of the articles of incorporation of the applicant,  
8 certified by the public official having custody of the original, and  
9 a copy of the bylaws of the applicant, certified by the chief  
10 executive officer of the applicant;

11           2. A copy of the most recent financial statement of the  
12 applicant, verified under oath of at least two of its principal  
13 officers; and

14           3. A license fee ~~in the amount of Two Hundred Dollars (\$200.00)~~  
15 as required pursuant to Section 4 6604 of this ~~act~~ title.

16           D. Upon completion of the application for license, the  
17 Commissioner shall examine the application and make such further  
18 investigation of the applicant as the Commissioner deems advisable.  
19 If the Commissioner finds that the applicant is qualified, the  
20 Commissioner shall issue to the applicant a license as a service  
21 warranty association. If the Commissioner does not find the  
22 applicant to be qualified the Commissioner shall refuse to issue the  
23 license and shall give the applicant written notice of such refusal,  
24 setting forth the grounds therefor.



1 SECTION 5. AMENDATORY 36 O.S. 2001, Section 6611, is  
2 amended to read as follows:

3 Section 6611. A. Suspension or revocation of the license of a  
4 service warranty association shall be by order of the Insurance  
5 Commissioner mailed to the association by certified mail with return  
6 receipt requested. ~~The Commissioner shall also promptly give notice~~  
7 ~~of such suspension or revocation to the association's sales~~  
8 ~~representatives in this state which are of record in the Insurance~~  
9 ~~Department.~~ The association shall not solicit or acquire any new  
10 service warranties in this state during the period of any such  
11 suspension or revocation.

12 B. At the discretion of the Commissioner, the Commissioner may  
13 cause notice of any such revocation or suspension to be published in  
14 one or more newspapers of general circulation published in this  
15 state.

16 SECTION 6. AMENDATORY 36 O.S. 2001, Section 6612, is  
17 amended to read as follows:

18 Section 6612. A. A suspension of the license of a service  
19 warranty association shall be for such period, not to exceed one (1)  
20 year, as is fixed in the order of suspension, unless such suspension  
21 or the order upon which the suspension is based is modified,  
22 rescinded, or reversed.

23 B. During the period of suspension, the association shall file  
24 its annual statement and pay any fees as required by the Service

1 Warranty Insurance Act as if the license had been continued in full  
2 force.

3 C. Upon expiration of the suspension period, if within such  
4 period the license has not otherwise terminated the license of the  
5 association shall automatically be reinstated, unless the causes of  
6 the suspension have not been removed or the association is otherwise  
7 not in compliance with the requirements of the Service Warranty  
8 Insurance Act. ~~Upon reinstatement of the license of an association  
9 or upon reinstatement of the certificate of authority of an insurer,  
10 following suspension, the authority of the sales representatives of  
11 the association in this state to represent the association or  
12 insurer shall likewise be reinstated.~~

13 SECTION 7. AMENDATORY 36 O.S. 2001, Section 6615, as  
14 last amended by Section 22, Chapter 353, O.S.L. 2008 (36 O.S. Supp.  
15 2008, Section 6615), is amended to read as follows:

16 Section 6615. A. In addition to the license fees provided in  
17 the Service Warranty Insurance Act for service warranty associations  
18 each such association and insurer shall, annually on or before May  
19 1, file with the Insurance Commissioner its annual statement in the  
20 form prescribed by the Commissioner showing gross written premium or  
21 assessments received by it in connection with the issuance of  
22 service warranties in this state during the preceding calendar year  
23 and other relevant financial information as deemed necessary by the  
24 Commissioner, using accounting principles which will enable the

1 Commissioner to ascertain whether the financial requirements set  
2 forth in Section 6607 of this title have been satisfied.

3 B. The Commissioner may levy a fine of up to One Hundred  
4 Dollars (\$100.00) a day for each day an association neglects to file  
5 the annual statement in the form and within the time provided by the  
6 Service Warranty Insurance Act.

7 C. In addition to an annual statement, the Commissioner may  
8 require of licensees, under oath and in the form prescribed by it,  
9 quarterly statements or special reports which the Commissioner deems  
10 necessary for the proper supervision of licensees under the Service  
11 Warranty Insurance Act.

12 D. Premiums and assessments received by associations and  
13 insurers for service warranties shall not be subject to the premium  
14 tax provided for in Section 624 of this title, but shall be subject  
15 to an administrative fee of ~~Two Dollars (\$2.00) for each service~~  
16 ~~warranty issued that provides coverage not to exceed Seventy five~~  
17 ~~Dollars (\$75.00), Five Dollars (\$5.00) for each service warranty~~  
18 ~~issued that provides coverage in excess of Seventy five Dollars~~  
19 ~~(\$75.00) but not to exceed Two Hundred Fifty Dollars (\$250.00), and~~  
20 ~~Ten Dollars (\$10.00) for each service warranty that provides~~  
21 ~~coverage in excess of Two Hundred Fifty Dollars (\$250.00) equal to~~  
22 two percent (2%) of the gross premium received on the sale of all  
23 service contracts issued in this state during the preceding calendar  
24 quarter. Said fees shall be paid quarterly to the Insurance

1 Commissioner. However, licensed associations ~~and~~, licensed insurers  
2 and entities with applications for licensure as a service warranty  
3 association pending with the Department that have contractual  
4 liability insurance in place as of March 31, 2009, from an insurer  
5 which satisfies the requirements of subsection C of Section 6607 of  
6 this title and which covers one hundred percent (100%) of the claims  
7 exposure of the association or insurer on all contracts written  
8 ~~shall be subject~~ may elect to pay an annual administrative fee of  
9 Three Thousand Dollars (\$3,000.00) in lieu of the two-percent  
10 administrative fee. ~~Said fees shall be paid quarterly to the~~  
11 ~~Insurance Commissioner.~~ All such fees, up to a maximum of ~~Two~~  
12 ~~Hundred Seventy five Thousand Dollars (\$275,000.00)~~ Three Hundred  
13 Twenty-five Thousand Dollars (\$325,000.00) per year, received by the  
14 Insurance Commissioner shall be deposited into the State Treasury to  
15 the credit of the Insurance Commissioner Revolving Fund for the  
16 payment of costs incurred by the Insurance Department in the  
17 administration of the Service Warranty Insurance Act. Amounts  
18 received in excess of the annual limitation shall be deposited to  
19 the credit of the General Revenue Fund.

20 SECTION 8. AMENDATORY 36 O.S. 2001, Section 6617, as  
21 amended by Section 23, Chapter 353, O.S.L. 2008 (36 O.S. Supp. 2008,  
22 Section 6617), is amended to read as follows:

23 Section 6617. As a minimum requirement for permanent office  
24 records, each licensed service warranty association shall maintain:

1 1. A complete set of accounting records, including but not  
2 limited to, a general ledger, cash receipts and disbursements  
3 journals, accounts receivable registers and accounts payable  
4 registers;

5 2. A detailed warranty register of warranties in force. The  
6 register shall include the date of issue, issuing sales  
7 representative, name of warranty holder, warranty period, gross  
8 premium, ~~commission to sales representative,~~ and net premium; and

9 3. A detailed centralized claims or service record register  
10 which includes the unique identifier, date of issue, date of claim,  
11 issuing service representative, amount of claim or service, date  
12 claim paid, and, if applicable, disposition other than payment and  
13 reason therefor.

14 SECTION 9. AMENDATORY 36 O.S. 2001, Section 6620, as  
15 last amended by Section 24, Chapter 353, O.S.L. 2008 (36 O.S. Supp.  
16 2008, Section 6620), is amended to read as follows:

17 Section 6620. ~~Each~~ Along with the annual statement filed  
18 pursuant to Section 6618 of this title, each service warranty  
19 association or insurer shall provide ~~register, on forms prescribed~~  
20 ~~by the Insurance Commissioner, on or before March 1 of each odd-~~  
21 ~~numbered year,~~ the name and business address of each sales  
22 representative ~~required to be registered under Section 6619 of this~~  
23 ~~title utilized by it in this state and, within thirty (30) days~~  
24 ~~after termination of the contract, shall notify the Commissioner of~~

1 ~~such termination. At the time of biennial registration, a filing fee~~  
2 ~~of Forty Dollars (\$40.00) for each sales representative shall be~~  
3 ~~paid by the service warranty association or insurer to the~~  
4 ~~Commissioner. All such filing fees shall be deposited in the State~~  
5 ~~Treasury to the credit of the Insurance Commissioner Revolving Fund~~  
6 ~~to be used for the implementation of the Service Warranty Insurance~~  
7 ~~Act. Any sales representative utilized subsequent to the March 1~~  
8 ~~filing date shall be registered with the Commissioner within ten~~  
9 ~~(10) days after such utilization. No employee or sales~~  
10 ~~representative of a service warranty association or insurer may~~  
11 ~~directly or indirectly solicit or negotiate insurance contracts, or~~  
12 ~~hold himself out in any manner to be an insurance agent, unless so~~  
13 ~~qualified and licensed pursuant to Section 1421 et seq. of this~~  
14 ~~title.~~

15 SECTION 10. REPEALER 36 O.S. 2001, Sections 6619, as  
16 amended by Section 4, Chapter 409, O.S.L. 2002, 6622, as amended by  
17 Section 25, Chapter 353, O.S.L. 2008, 6623, 6624 and 6625 (36 O.S.  
18 Supp. 2008, Sections 6619 and 6622), are hereby repealed.

19 SECTION 11. This act shall become effective July 1, 2009.

20 SECTION 12. It being immediately necessary for the preservation  
21 of the public peace, health and safety, an emergency is hereby  
22 declared to exist, by reason whereof this act shall take effect and  
23 be in full force from and after its passage and approval."  
24

1 Passed the House of Representatives the 13th day of April, 2009.

2  
3  
4 Presiding Officer of the House of  
Representatives

5  
6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2009.

7  
8  
9 Presiding Officer of the Senate