

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 1903
Version:	2CCS
Author:	Rep. Sullivan / Sen. Aldridge
Date:	5/25/2010
Impact:	Revenue neutral to Insurance Department and General Revenue

Bill Summary

Research Analyst: "Click and type"
Pending

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Fiscal Summary

Fiscal Analyst: Mark Nichols

The conference committee substitute for SB 1903 creates the Oklahoma Home Service Contract Act. The act states that home service contracts are not insurance and not otherwise subject to the Insurance Code. Providers of home service contracts must register with the Insurance Commissioner and pay a fee of \$1,200 initially and every three years thereafter. Providers also must pay a fraud fee of \$2,250 initially and every three years after. These providers do not pay premium taxes but are subject to an administrative fee of 2% of the gross fees received and are also responsible for compliance with one of three options to assure their faithful performance.

The measure further allows the Commissioner to conduct examinations to enforce the provisions of the act and describes remedies the Commissioner may take against violators, including a civil penalty.

Fiscal Analysis

Officials at the Insurance Department state that the provisions of the measure applies to the current license fee, fraud fee and administrative fee for Home Service Warranties and that provided the broader definition of the act doesn't result in more companies being able to qualify for the flat admin fee under the act instead of paying premium taxes, the measure should be revenue neutral to the Department and the General Revenue Fund.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director

