

1 ENGROSSED HOUSE  
2 BILL NO. 2926

By: Kirby of the House

3 and

4 Marlatt of the Senate

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8 An Act relating to insurance; amending 36 O.S. 2011,  
9 Section 607.1, as amended by Section 1, Chapter 306,  
10 O.S.L. 2013 (36 O.S. Supp. 2013, Section 607.1),  
11 which relates to certain entities that are considered  
12 insurers; modifying definition; modifying which  
13 entities shall have an annual audit; and providing an  
14 effective date.

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

16 SECTION 1. AMENDATORY 36 O.S. 2011, Section 607.1, as  
17 amended by Section 1, Chapter 306, O.S.L. 2013 (36 O.S. Supp. 2013,  
18 Section 607.1), is amended to read as follows:

19 Section 607.1 A. An entity organized pursuant to the  
20 Interlocal Cooperation Act for the purpose of transacting insurance,  
21 except those interlocal entities created pursuant to the terms of  
22 The Governmental Tort Claims Act, hereafter referred to as an  
23 interlocal entity, shall be considered an insurer at such time that  
24 the entity has within a twelve-month period received aggregate  
premiums of One Million Dollars (\$1,000,000.00) for all kinds of

1 insurance that the entity transacts. Such an entity shall be  
2 eligible to qualify for and hold a certificate of authority to  
3 transact insurance in this state.

4 B. ~~An~~ Notwithstanding subsection A of this section, an entity  
5 organized pursuant to the Interlocal Cooperation Act that ~~transacts~~  
6 insurance insures an Oklahoma educational institution and has within  
7 a twelve-month period received premiums or contributions of any  
8 amount for any kind of insurance that the ~~entity~~ interlocal entity  
9 transacts shall have an annual audit by an independent certified  
10 public accountant and shall file an audited financial report by an  
11 independent certified public accountant with the Insurance  
12 Commissioner within one hundred eighty (180) days immediately  
13 following the close of the ~~Interlocal's~~ interlocal entity's fiscal  
14 year. The annual audited financial report shall be presented in  
15 conformity with accounting principles generally accepted in the  
16 United States of America and include:

17 1. The report of an independent certified public accountant in  
18 accordance with accounting principles generally accepted in the  
19 United States of America;

20 2. A balance sheet reporting assets, liabilities and equity;

21 3. A statement of operations;

22 4. A statement of cash flows;

23 5. A statement of changes in assets, liabilities and equity;

24 and

1           6. Footnotes to financial statements.

2           C. Extensions of the filing date may be granted by the  
3 Commissioner for thirty-day periods upon a showing by the ~~Interlocal~~  
4 ~~Cooperative~~ interlocal entity and its independent certified public  
5 accountant of the reasons for requesting an extension and  
6 determination by the Commissioner of good cause for an extension.  
7 The request for extension must be submitted in writing not less than  
8 ten (10) days prior to the due date in sufficient detail to permit  
9 the Commissioner to make an informed decision with respect to the  
10 requested extension.

11           D. The Commissioner may assess a fine for failure to file the  
12 required annual audit in an amount of not more than Five Hundred  
13 Dollars (\$500.00) per day.

14           E. The audited financial reports required herein are subject to  
15 public inspection pursuant to the Oklahoma Open Records Act.

16           SECTION 2. This act shall become effective November 1, 2014.  
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1 Passed the House of Representatives the 10th day of March, 2014.

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4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2014.

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9 Presiding Officer of the Senate