

1 ENGROSSED SENATE
2 BILL NO. 2026

By: Marlatt of the Senate

3 and

4 Kirby of the House

5
6 An Act relating to insurance; amending 36 O.S. 2011,
7 Section 607.1, as amended by Section 1, Chapter 306,
8 O.S.L. 2013 (36 O.S. Supp. 2013, Section 607.1),
9 which relates to certain entities; establishing
10 requirements for Interlocal Entities; and providing
11 an effective date.

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

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

16 Section 607.1. A. An entity organized pursuant to the
17 Interlocal Cooperation Act (an "Interlocal Entity") for the purpose
18 of transacting insurance, except those Interlocal Entities created
19 pursuant to the terms of The Governmental Tort Claims Act, shall be
20 considered an insurer at such time that the entity has within a
21 twelve-month period received aggregate premiums of One Million
22 Dollars (\$1,000,000.00) for all kinds of insurance that the entity
23 transacts. Such an entity shall be eligible to qualify for and hold
24 a certificate of authority to transact insurance in this state.

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

14 1. The report of an independent certified public accountant in
15 accordance with accounting principles generally accepted in the
16 United States of America;

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

18 3. A statement of operations;

19 4. A statement of cash flows;

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

21 and

22 6. Footnotes to financial statements.

23 C. Extensions of the filing date may be granted by the
24 Commissioner for thirty-day periods upon a showing by the Interlocal

1 ~~Cooperative~~ Entity and its independent certified public accountant
2 of the reasons for requesting an extension and determination by the
3 Commissioner of good cause for an extension. The request for
4 extension must be submitted in writing not less than ten (10) days
5 prior to the due date in sufficient detail to permit the
6 Commissioner to make an informed decision with respect to the
7 requested extension.

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

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

13 SECTION 2. This act shall become effective November 1, 2014.
14 Passed the Senate the 10th day of March, 2014.

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17 Presiding Officer of the Senate

18 Passed the House of Representatives the ____ day of _____,
19 2014.

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21 _____
22 Presiding Officer of the House
23 of Representatives
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