

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 54th Legislature (2013)

4   ENGROSSED SENATE  
5   BILL NO. 1058

                                  By: Schulz of the Senate

  and

  Ortega of the House

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8  
9                   [ consumer sales and loans - refund and credit -  
10                   gender neutral - initiate certain refund or credit  
11                   - prohibiting retention - effective date ]  
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15   ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

16           SECTION 1.        AMENDATORY        14A O.S. 2011, Section 4-108, is  
17   amended to read as follows:

18           Section 4-108. (1) Upon prepayment in full of a consumer  
19   credit sale or consumer loan by the proceeds of consumer credit  
20   insurance, the debtor or his or her estate is entitled to a refund  
21   of any portion of a separate charge for insurance which by reason of  
22   prepayment is retained by the creditor or returned to ~~him~~ the  
23   creditor by the insurer unless the charge was computed from time to  
24   time on the basis of the balances of the debtor's account. Payment

1 by the insurer of the coverage in force at the time the death claim  
2 arises includes premiums charged for the coverage.

3 (2) This article does not require a creditor to grant a refund  
4 or credit to the debtor if all refunds and credits due to the debtor  
5 under this article amount to less than One Dollar (\$1.00), and  
6 except as provided in subsection (1) of this section, does not  
7 require the creditor to account to the debtor for any portion of a  
8 separate charge for insurance because:

9 (a) the insurance is terminated by performance of the  
10 insurer's obligation;

11 (b) the creditor pays or accounts for premiums to the  
12 insurer in amounts and at times determined by the  
13 agreement between ~~them~~ the creditor and insurer;

14 (c) the creditor receives directly or indirectly under any  
15 policy of insurance a gain or advantage not prohibited  
16 by law; or

17 (d) the debtor has voluntarily signed an authorization to  
18 continue his or her coverage in force.

19 (3) Except as provided in subsection (2) of this section, the  
20 creditor shall promptly make or cause to be made an appropriate  
21 refund or credit to the debtor with respect to any separate charge  
22 made to ~~him~~ the debtor for insurance if:

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1 (a) the insurance is not provided or is provided for a  
2 shorter term than that for which the charge to the  
3 debtor for insurance was computed; or

4 (b) the insurance terminates prior to the end of the term  
5 for which it was written because of prepayment in full  
6 or otherwise.

7 The refund or credit authorized by this subsection may be initiated  
8 by either the debtor or creditor who has knowledge that the refund  
9 or credit is due as provided in paragraph (a) or (b) of this  
10 subsection. In no event shall any determinable refund or credit  
11 amount be retained by the creditor for more than fifteen (15) days  
12 after a consumer sale or consumer loan is prepaid in full and the  
13 refund or credit is determined and requested by the debtor.

14 (4) A refund or credit required by subsection (3) of this  
15 section is appropriate as to amount if it is computed according to a  
16 method prescribed or approved by the Insurance Department, or a  
17 formula filed by the insurer with the Insurance Department at least  
18 thirty (30) days before the debtor's right to a refund or credit  
19 becomes determinable, unless the method or formula is employed after  
20 the Insurance Department notifies the insurer that it is  
21 disapproved.

22 SECTION 2. This act shall become effective November 1, 2013.

23 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND FINANCIAL  
24 SERVICES, dated 04/11/2013 - DO PASS, As Amended.