

1 **SENATE FLOOR VERSION**

2 March 27, 2014

3 ENGROSSED HOUSE
4 BILL NO. 2926

By: Kirby of the House

and

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
insurance that the entity transacts. Such an entity shall be

1 eligible to qualify for and hold a certificate of authority to
2 transact insurance in this state.

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

- 16 1. The report of an independent certified public accountant in
17 accordance with accounting principles generally accepted in the
18 United States of America;
- 19 2. A balance sheet reporting assets, liabilities and equity;
- 20 3. A statement of operations;
- 21 4. A statement of cash flows;
- 22 5. A statement of changes in assets, liabilities and equity;
- 23 and
- 24 6. Footnotes to financial statements.

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

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

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

15 SECTION 2. This act shall become effective November 1, 2014.

16 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE
17 March 27, 2014 - DO PASS
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