

1 **SENATE FLOOR VERSION**

2 February 14, 2013

3 **AS AMENDED**

4 SENATE BILL NO. 1058

By: Schulz of the Senate

and

Ortega of the House

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8 **[consumer sales and loans - refund and credit -**
9 **gender neutral - initiate certain refund or credit -**
10 **prohibiting retention - effective date]**

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

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

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

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

7 (a) the insurance is terminated by performance of the
8 insurer's obligation;

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

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

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

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

21 (a) the insurance is not provided or is provided for a
22 shorter term than that for which the charge to the
23 debtor for insurance was computed; or

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1 (b) the insurance terminates prior to the end of the term
2 for which it was written because of prepayment in full
3 or otherwise.

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

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

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

20 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
21 February 14, 2013 - DO PASS AS AMENDED