STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

HOUSE BILL 2926 By: Kirby

AS INTRODUCED

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

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

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

Section 607.1 A. An entity organized pursuant to the Interlocal Cooperation Act for the purpose of transacting insurance, except those interlocal entities created pursuant to the terms of The Governmental Tort Claims Act, hereafter referred to as an interlocal entity, shall be considered an insurer at such time that 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

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

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

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

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

3. A statement of operations;

4. A statement of cash flows;

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

6. Footnotes to financial statements.

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

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

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

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

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