

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1336

By: Hoskin

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5
6 AS INTRODUCED

7 An Act relating to contracts; amending Section 13,
8 Chapter 150, O.S.L. 2012, as amended by Section 1,
9 Chapter 72, O.S.L. 2016 (15 O.S. Supp. 2016, Section
10 141.13), which relates to service warranty contracts;
11 prohibiting automatic renewal; and providing an
12 effective date.

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

14 SECTION 1. AMENDATORY Section 13, Chapter 150, O.S.L.
15 2012, as amended by Section 1, Chapter 72, O.S.L. 2016 (15 O.S.
16 Supp. 2016, Section 141.13), is amended to read as follows:

17 Section 141.13 A. No service warranty form or related form
18 shall be issued or used in this state unless the form has been filed
19 with and approved by the Insurance Commissioner.

20 B. Each filing of a form shall be made not less than thirty
21 (30) days in advance of its issuance or use. At the expiration of
22 thirty (30) days from date of filing, a form so filed shall be
23 deemed approved unless prior thereto it has been affirmatively
24 disapproved by written order of the Commissioner.

1 C. Each service warranty contract shall contain a cancellation
2 provision. In the event the contract is canceled by the warranty
3 holder, return of the provider fee shall be based upon ninety
4 percent (90%) of the unearned pro rata provider fee less the actual
5 cost of any service provided under the service warranty contract.
6 In the event the contract is canceled by the association, return of
7 premium shall be based upon one hundred percent (100%) of unearned
8 pro rata provider fee less the actual cost of any service provided
9 under the service warranty contract. Under no circumstance shall a
10 service warranty contract carry a provision for automatic renewal.

11 D. Service contracts shall state the name, address and license
12 number of the service warranty association and shall identify any
13 administrator if different from the service warranty association,
14 the service contract seller and the service contract holder to the
15 extent that the name of the service contract holder has been
16 furnished by the service contract holder. For service contracts
17 issued on and after July 1, 2017, the identity of the service
18 warranty association and its license number shall either be
19 preprinted on the service contract or added by printer at the time
20 of sale so consumers can clearly identify the obligor of the service
21 contract. Information to be printed at the time of sale shall be
22 indicated as such at the time the service contract is filed for
23 approval and a "Jane Doe" specimen shall accompany the service
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1 contract illustrating how the service contract will look after
2 printing.

3 E. The Commissioner shall disapprove any form filed pursuant to
4 this section if the form:

- 5 1. Violates the Service Warranty Act;
- 6 2. Is misleading in any respect; or
- 7 3. Is reproduced so that any material provision is
8 substantially illegible.

9 F. The Insurance Commissioner may, by order, exempt from the
10 requirements of this section for so long as he or she deems proper
11 any document or form or type thereof as specified in such order, to
12 which, in his or her discretion, this section may not practicably be
13 applied, or the filing and approval of which are, in his or her
14 opinion, not desirable or necessary for the protection of the
15 public.

16 SECTION 2. This act shall become effective November 1, 2017.

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