

1 ENGROSSED SENATE
2 BILL NO. 435

By: Montgomery of the Senate

3 and

4 Martinez of the House

5
6 An Act relating to the Service Warranty Act; amending
7 15 O.S. 2021, Section 141.14, which relates to
8 penalties, reports, and administrative fees;
9 modifying administrative fee amount; providing
10 exclusion of certain fee; conforming language; and
11 providing an effective date.

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

13 SECTION 1. AMENDATORY 15 O.S. 2021, Section 141.14, is
14 amended to read as follows:

15 Section 141.14. A. In addition to the license fees provided in
16 the Service Warranty Act for service warranty associations each
17 service warranty association and insurer shall annually, on or
18 before the first day of May, file with the Insurance Commissioner
19 its annual financial statement showing all gross written provider
20 fees or assessments received by it in connection with the issuance
21 of service warranties in this state during the preceding calendar
22 year and other relevant financial information as deemed necessary by
23 the Commissioner. The financial statements required by this
24 subsection must be:

1 1. Audited and prepared in accordance with statutory accounting
2 principles if the applicant complies with the requirements of
3 subsection A of Section 141.6 of this title; or

4 2. Verified under oath of at least two of its principal
5 officers and prepared in accordance with generally accepted
6 accounting principles if the applicant utilizes an insurance policy
7 which satisfies the requirements of subsection B of Section 141.6 of
8 this title.

9 B. The Commissioner may levy a fine of up to One Hundred
10 Dollars (\$100.00) a day for each day an association neglects to file
11 its financial statement in the form and within the time provided by
12 the Service Warranty Act.

13 C. In addition to the annual financial statements required to
14 be filed by subsection A of this section, the Commissioner may
15 require of licensees, under oath and in the form prescribed by it,
16 quarterly statements or special reports which the Commissioner deems
17 necessary for the proper supervision of licensees under the Service
18 Warranty Act.

19 D. Provider fees and assessments received by associations and
20 insurers for service warranties shall not be subject to the premium
21 tax provided in Section 624 of Title 36 of the Oklahoma Statutes,
22 but ~~shall be subject to an administrative fee of equal to two~~
23 ~~percent (2%) of the gross provider fee received on the sale of all~~
24 ~~service warranties issued in this state during the preceding~~

1 ~~calendar quarter. The fees shall be paid quarterly to the Insurance~~
2 ~~Commissioner. However,~~ licensed associations, licensed insurers and
3 entities with applications for licensure as a service warranty
4 association pending with the Department that have contractual
5 ~~liability insurance in place as of March 31, 2009, from an insurer~~
6 ~~which satisfies the requirements of subsections B and C of Section~~
7 ~~141.6 of this title and which covers one hundred percent (100%) of~~
8 ~~the claims exposure of the association or insurer on all contracts~~
9 ~~written may elect to~~ shall pay an annual administrative fee of ~~Three~~
10 ~~Thousand Dollars (\$3,000.00) in lieu of the two-percent~~
11 ~~administrative fee~~ Four Thousand Two Hundred Dollars (\$4,200.00).
12 The administrative fee set forth in this section shall not be
13 subject to subsection C of Section 307.3 of Title 36 of the Oklahoma
14 Statutes.

15 SECTION 2. This act shall become effective January 1, 2024.
16
17
18
19
20
21
22
23
24

1 Passed the Senate the 23rd day of March, 2023.

2
3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2023.

7
8 _____
9 Presiding Officer of the House
10 of Representatives