

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 59th Legislature (2023)

4   ENGROSSED SENATE  
5   BILL NO. 435

By: Montgomery of the Senate

and

Martinez of the House

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

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

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

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

1 the Commissioner. The financial statements required by this  
2 subsection must be:

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

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

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

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

21 D. Provider fees and assessments received by associations and  
22 insurers for service warranties shall not be subject to the premium  
23 tax provided in Section 624 of Title 36 of the Oklahoma Statutes,  
24 but ~~shall be subject to an administrative fee of equal to two~~

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

17 SECTION 2. This act shall become effective January 1, 2024.

18  
19 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/04/2023 - DO  
20 PASS.  
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