

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
FOR
5 HOUSE BILL NO. 1085

By: Adams and Tedford of the
House

6 and

7 Coleman of the Senate

10 COMMITTEE SUBSTITUTE

11 An Act relating to contracts; amending 15 O.S. 2021,
12 Section 141.14, as amended by Section 8, Chapter 225,
13 O.S.L. 2024 (15 O.S. Supp. 2024, Section 141.14),
14 which relates to the Service Warranty Act; modifying
15 administrative fee amount; and providing an effective
date.

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

17 SECTION 1. AMENDATORY 15 O.S. 2021, Section 141.14, as
18 amended by Section 8, Chapter 225, O.S.L. 2024 (15 O.S. Supp. 2024,
19 Section 141.14), is amended to read as follows:

20 Section 141.14. A. In addition to the license fees provided in
21 the Service Warranty Act for service warranty associations each
22 service warranty association and insurer shall annually, on or
23 before the first day of May, file with the Insurance Commissioner
24 its annual financial statement as of a date not earlier than three

1 hundred sixty-five (365) days prior to the date submitted showing
2 all gross written provider fees or assessments received by it in
3 connection with the issuance of service warranties in this state
4 during the preceding calendar year and other relevant financial
5 information as deemed necessary by the Commissioner. The financial
6 statements required by this subsection must be:

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

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

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

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

1 D. Provider fees and assessments received by associations and
2 insurers for service warranties shall not be subject to the premium
3 tax provided in Section 624 of Title 36 of the Oklahoma Statutes,
4 but shall be subject to an administrative fee of equal to two
5 percent (2%) of the gross provider fee received on the sale of all
6 service warranties issued in this state during the preceding
7 calendar quarter. The fees shall be paid quarterly to the Insurance
8 Commissioner. However, licensed associations, licensed insurers and
9 entities with applications for licensure as a service warranty
10 association pending with the Insurance Department that have
11 contractual liability insurance in place as of March 31, 2009, from
12 an insurer which satisfies the requirements of subsections B and C
13 of Section 141.6 of this title and which covers one hundred percent
14 (100%) of the claims exposure of the association or insurer on all
15 contracts written may elect to pay an annual administrative fee of
16 Three Thousand Dollars (\$3,000.00) in lieu of the two-percent
17 administrative fee.

18 E. On and after January 1, 2026, the fee assessed pursuant to
19 subsection D of this section shall be equal to one and seventy-five
20 hundredths percent (1.75%) of the gross provider fee received on the
21 sale of all service warranties issued in this state during the
22 preceding calendar quarter, to be paid quarterly or Three Thousand
23 One Hundred Fifty Dollars (\$3,150.00) for insurers and entities
24 eligible for and electing to pay an annual administrative fee in

1 lieu of the percent-based fee. On and after January 1, 2027, the
2 fee assessed pursuant to subsection D of this section shall be equal
3 to one percent (1.00%) of the gross provider fee received on the
4 sale of all service warranties issued in this state during the
5 preceding calendar quarter, to be paid quarterly or Three Thousand
6 Three Hundred Fifty Dollars (\$3,350.00) for insurers and entities
7 eligible for and electing to pay an annual administrative fee in
8 lieu of the percent-based fee. On and after January 1, 2028, the
9 fee assessed pursuant to subsection D shall be equal to Three
10 Thousand Seven Hundred Dollars (\$3,700.00) for all service warranty
11 associations and insurers.

12 SECTION 2. This act shall become effective January 1, 2026.

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14 COMMITTEE REPORT BY: COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT
15 OVERSIGHT, dated 03/05/2025 - DO PASS, As Amended.
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