

# An Act

ENROLLED SENATE  
BILL NO. 541

By: Montgomery of the Senate

and

Sneed of the House

An Act relating to service warranties; amending Sections 3, 4, and 5, Chapter 16, O.S.L. 2022 (15 O.S. Supp. 2023, Sections 140.4, 140.5, and 140.6), which relate to debt waivers, vehicle value protection agreements, and enforcement; requiring certain administrators to register with the Insurance Department; requiring registration renewal by certain date; requiring certain registrations and registration fees to be submitted electronically; requiring certain contact information changes to be submitted within certain time period; directing certain administrators and service warranty associations to respond to the Insurance Commissioner within certain time period; removing cash payment as an acceptable deposit for certain trust with the Commissioner; updating statutory reference; amending 15 O.S. 2021, Sections 141.4, 141.5, 141.8, 141.13, as amended by Section 1, Chapter 241, O.S.L. 2017, 141.14, and 141.33, which relate to qualification for license, annual license requirements, service warranty forms, annual statements, and claim files; requiring certain license application and fee be submitted electronically by certain service warranty association; requiring certain application to include declaration; conforming language; establishing fees for certain renewal processes; requiring certain expired licensees to reapply as if a new applicant; requiring certain applicants to submit certain report; establishing certain fines; requiring certain filing of financial statement include information for certain time period; updating statutory language; and providing an effective date.

SUBJECT: Service warranties

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

SECTION 1. AMENDATORY Section 3, Chapter 16, O.S.L. 2022 (15 O.S. Supp. 2023, Section 140.4), is amended to read as follows:

Section 140.4. A. As used in this section:

1. "Administrator" means a person, other than an insurer or creditor that performs administrative or operational functions pursuant to debt waiver programs;

2. "Borrower" means a debtor, retail buyer, or lessee, under a finance agreement;

3. "Creditor" means:

a. the lender in a loan or credit transaction,

b. the lessor in a lease transaction,

c. any retail seller of motor vehicles,

d. the seller in commercial retail installment transactions, or

e. the assignees of any of the foregoing to whom the credit obligation is payable; and

4. "Debt waiver" includes, but is not limited to:

a. "guaranteed asset protection waivers" or "GAP waivers" means a contractual agreement wherein a creditor agrees, with or without a separate charge, to cancel or waive all or part of amounts due on a borrower's financial agreement in the event of a total physical damage loss or unrecovered theft of the motor vehicle, which an agreement shall be part of, or as a separate addendum to, the financial agreement. A GAP waiver

may also provide, with or without a separate charge, a benefit that waives an amount or provides a borrower with a credit towards the purchase of a replacement motor vehicle,

- b. "excess wear and use waiver" means a contractual agreement wherein a creditor agrees, with or without a separate charge, to cancel or waive all or part of amounts that may become due under a borrower's lease agreement as a result of excessive wear and use of a motor vehicle, which an agreement shall be part of, or as a separate addendum to, the lease agreement. Excess wear and use waivers may also cancel or waive amounts due for excess mileage, and
- c. other products as approved by the Insurance Commissioner.

B. 1. No administrator or creditor operating as an administrator shall perform or engage in any administrative or operational functions of a debt waiver program without first registering with the Insurance Department. Registration shall be renewed annually by July 15 of each calendar year. All registrations shall be filed and fees shall be paid electronically in the manner and form prescribed by the Commissioner.

2. An administrator or a creditor operating as an administrator shall electronically file an updated registration within thirty (30) days of any change of name, address, or email address.

3. Every administrator or creditor, upon receipt of any inquiry from the Commissioner, shall furnish the Commissioner with an adequate response to the inquiry within twenty (20) days from the date of receipt of the inquiry.

C. As required for offering debt waivers:

1. A retail seller shall insure its debt waiver obligations under a contractual liability or other insurance policy issued by an insurer. A creditor other than retail sellers may insure its debt waiver obligations under a contractual liability policy or other such policy issued by an insurer. Any such insurance policy may be

directly obtained by a creditor or retail seller or may be obtained by an administrator to cover a creditor's or retail seller's obligations. However, retail sellers that are lessors on motor vehicles are not required to insure obligations related to debt waivers on such leased motor vehicles;

2. The debt waiver remains a part of the finance agreement upon the assignment, sale, or transfer of such finance agreement by the creditor;

3. Any creditor that offers a debt waiver shall report the sale of, and subsequently forward the funds due to, the designated party or parties; and

4. Funds received or held by a creditor or administrator that belong to an insurer, creditor, or administrator shall be held by such creditor or administrator in a fiduciary capacity.

~~C.~~ D. Contractual Liability or Other Insurance Policies.

1. Contractual liability or other insurance policies insuring debt waivers shall state the obligation of the insurer to reimburse or pay to the creditor any sums the creditor is legally obligated to waive under a debt waiver.

2. Coverage under a contractual liability or other insurance policy insuring a debt waiver shall also cover any subsequent assignee upon the assignment, sale, or transfer of the finance agreement.

3. Coverage under a contractual liability or other insurance policy insuring a debt waiver shall remain in effect unless canceled or terminated in compliance with applicable insurance laws of this state.

4. The cancelation or termination of a contractual liability or other insurance policy shall not reduce the insurer's responsibility for debt waivers issued by the creditor prior to the date of cancelation or termination and for which the premium has been received by the insurer.

~~D.~~ E. Debt waivers shall disclose in writing and in clear, understandable language the following:

1. The name and address of the initial creditor and the borrower at the time of sale and identity of any administrator if different from the creditor;

2. The purchase price, if any, and the terms of the debt waiver including without limitation, the requirements of protection, conditions, or exclusions associated with the debt waiver;

3. That the borrower may cancel the debt waiver within a free look period, as specified in the debt waiver, and will be entitled to a full refund of the purchase price paid by the borrower, if any, as long as no benefits have been provided;

4. The procedures the borrower shall follow, if any, to obtain debt waiver benefits under the terms and conditions of the debt waiver including, if applicable, a telephone number or website and address where the borrower may apply for debt waiver benefits;

5. Whether or not the debt waiver may be canceled after the free look period and the conditions under which it may be canceled or terminated including the procedures for requesting any refund of amounts paid;

6. That in order to receive any refund due in the event of a borrower's cancellation of the debt waiver, the borrower, in accordance with the term of the debt waiver, shall provide a written request to cancel to the creditor, administrator, or other such party. If the cancellation of a debt waiver is due to an early termination of the finance agreement and no benefit has been or will be provided, then the borrower, in accordance with the terms of the debt waiver, shall provide a written request to cancel to the creditor or administrator within ninety (90) days of the occurrence of the event terminating the finance agreement;

7. The methodology for calculating any refund of the unearned purchase price of the debt waiver, if any, shall be due in the event of cancellation of the debt waiver or early termination of a finance agreement; and

8. That neither the extension of credit, the terms of the credit, nor the terms of the related motor vehicle sale or lease, may be conditioned upon the borrower's purchase of a debt waiver.

~~E.~~ F. Cancellation.

1. Debt waiver agreements may be cancelable or non-cancelable following the free look period. Debt waivers shall provide the borrower, if a borrower cancels a debt waiver within the free look period, a full refund of the amount the borrower paid, if any, as long as no benefits have been provided.

2. In the event of a borrower's cancellation of the debt waiver or upon the early termination of the finance agreement after the debt waiver has been in effect beyond the free look period, the borrower may be entitled to a refund of the amount the borrower paid of the unearned portion of the purchase price, if any, minus a cancellation fee not to exceed Seventy-five Dollars (\$75.00), if no benefit has been or will be provided. In order to receive any refund due in the event of a borrower's cancellation of the debt waiver, the borrower shall provide a written request to cancel, in accordance with the terms of the debt waiver, to the creditor or administrator. If the cancellation is due to the early termination of the finance agreement, then the borrower, in accordance with the terms of the debt waiver, shall provide a written request to cancel to the creditor or administrator within ninety (90) days of the occurrence of the event terminating the finance agreement.

3. If the cancellation of a debt waiver occurs as a result of a default under the finance agreement or the repossession of the motor vehicle associated with the finance agreement, or any other termination of the finance agreement, any refund due may be paid directly to the creditor or administrator, unless the borrower can show that the finance agreement has been paid in full.

~~F.~~ G. Exempt Transactions.

1. Debt waivers offered by state or federal banks or credit unions in compliance with the applicable state or federal law are exempt from ~~this act~~ Section 140.2 et seq. of this title.

2. Subsection ~~D~~ E of this section and Section ~~5~~ 140.6 of this ~~act~~ title shall not apply to debt waivers offered in connection with commercial transactions.

SECTION 2. AMENDATORY Section 4, Chapter 16, O.S.L. 2022 (15 O.S. Supp. 2023, Section 140.5), is amended to read as follows:

Section 140.5. A. As used in this section:

1. "Administrator" means the person who may be responsible for the administrative or operational function of vehicle value protection agreements including, but not limited to, the adjudication of claims or benefits requested by contract holders;

2. "Contract holder" means a person who is the purchaser or holder of a vehicle value protection agreement;

3. "Provider" means a person that is obligated to provide a benefit under a vehicle value protection agreement. A provider may perform as an administrator or retain the services of a third-party administrator; and

4. "Vehicle value protection agreement" means a contractual agreement that provides a benefit towards either the reduction of some or all of the contract holder's current finance agreement deficiency balance, or towards the purchase or lease of a replacement motor vehicle or motor vehicle services, upon the occurrence of an adverse event to the motor vehicle including, but not limited to, loss, theft, damage, obsolescence, diminished value, or depreciation. These agreements do not include debt waivers. These agreements may include, but not be limited to, trade-in-credit agreements, diminished value agreements, depreciation benefit agreements, or other similarly named agreements.

B. 1. No administrator or provider operating as an administrator shall perform or engage in any administrative or operational functions of vehicle value protection agreements without first registering with the Insurance Department. Registration shall be renewed annually by July 15 of each calendar year. All registrations shall be filed and fees shall be paid electronically in the manner and form prescribed by the Insurance Commissioner.

2. An administrator or a provider operating as an administrator shall electronically file an updated registration within thirty (30) days of any change of name, address, or email address.

3. Every administrator and provider, upon receipt of any inquiry from the Commissioner, shall furnish the Commissioner with an adequate response to the inquiry within twenty (20) days from the date of receipt of the inquiry.

C. Requirements for offering vehicle value protection agreements:

1. A provider may utilize an administrator or other designee to be responsible for any and all of the administration of vehicle value protection agreements in compliance with ~~this act~~ Section 140.2 et seq. of this title;

2. Vehicle value protection agreements shall not be sold unless the contract holder has been or will be provided access to a copy of that vehicle value protection agreement;

3. In order to assure the faithful performance of the provider's obligations to its contract holders, each provider shall be responsible for complying with the requirements of one of the following:

- a. insure all of its vehicle value protection agreements under an insurance policy that covers one hundred percent (100%) of its claim exposure, satisfies the requirements of this act, and contains the following provision: "In the event the provider is unable to fulfill its obligations under vehicle value protection agreements issued in this state for any reason including insolvency, bankruptcy, or dissolution, the insurer will pay any losses and unearned fees to the person making a claim under such agreement." The insurance policy shall be issued by an insurer licensed, registered, or otherwise authorized to do business in this state either:

- (1) at the time the policy is filed with the Insurance Commissioner, and continuously



thereafter, (i) maintain surplus as to policyholders and paid-in capital no less than Fifteen Million Dollars (\$15,000,000.00) and (ii) annually file copies of the insurer's financial statements, its National Association of Insurance Commissioners (NAIC) Annual Statement, and the actuarial certification required by and filed in the insurer's state of domicile, or

- (2) at the time the policy is filed with the Commissioner, and continuously thereafter, (i) maintain surplus as to policyholders and paid-in capital of less than Fifteen Million Dollars (\$15,000,000.00) but at least equal to Ten Million Dollars (\$10,000,000.00), (ii) demonstrate to the satisfaction of the Commissioner that the company maintains a ratio of net written premiums, wherever written, to surplus as to policyholders and paid-in capital of not greater than 3 to 1, and (iii) annually file copies of the insurer's audited financial statements, its NAIC Annual Statement, and the actuarial certification required by and filed in the insurer's state of domicile,

- b. (1) maintain a funded reserve account for its obligations under its contracts issued and outstanding in this state. The reserves shall not be less than forty percent (40%) of gross considerations received, less claims paid, on the sale of the vehicle value protection agreement for all in-force contracts. The reserve account shall be subject to examination and review by the Commissioner, and

- (2) place in trust with the Commissioner a financial security deposit, having a value not less than five percent (5%) of the gross consideration received, less claims paid, on the sale of the vehicle value protection agreements for all vehicle value protection agreements issued and in force, but not less than Twenty-five Thousand

Dollars (\$25,000.00), consisting of the following:

- (a) a surety bond issued by an authorized surety,
  - (b) securities of the type eligible for deposit by authorized insurers in this state,
  - (c) ~~cash,~~
  - ~~(d)~~ a letter of credit issued by a qualified financial institution, or
  - ~~(e)~~
  - (d) another form of security prescribed by regulations issued by the Commissioner, or
- c. (1) maintain, or together with its parent company maintain, a net worth or stockholders' equity of One Hundred Million Dollars (\$100,000,000.00), ~~or~~ and
- (2) upon request, provide the Commissioner with a copy of the provider's or the provider's parent company's most recent Form 10-K or Form 20-F filed with the Securities and Exchange Commission (SEC) within the last calendar year, or if the company does not file with the SEC, a copy of the company's audited financial statements, which shows a net worth of the provider or its parent company of at least One Hundred Million Dollars (\$100,000,000.00). If the provider's parent company's Form 10-K, Form 20-F, or financial statements are filed to meet the provider's financial security requirement, then the parent company shall agree to guarantee the obligations of the provider relating to the vehicle value protection agreements sold by the provider in this state; and

4. Except for the requirements in paragraph 3 of subsection ~~B~~ C of this section, no other financial security requirements shall be required for vehicle value protection agreement providers.

~~C~~ D. Vehicle value protection agreements shall disclose in writing and in clear, understandable language the following:

1. The name and address of the provider, contract holder, and administrator, if any;

2. The terms of the vehicle value protection agreement including without limitation, the purchase price to be paid by the contract holder, the requirements for eligibility, conditions of coverage, or exclusions;

3. That the vehicle value protection agreement may be canceled by the contract holder within a free look period as specified in the vehicle value protection agreement, and in such an event, the contract holder shall be entitled to a full refund of the purchase price paid by the contract holder, if any, as long as no benefits have been provided;

4. The procedure the contract holder shall follow, if any, to obtain a benefit under the terms and conditions of the vehicle value protection agreement including, if applicable, a telephone number or website and address where the contract holder may apply for a benefit;

5. Whether or not the vehicle value protection agreement is cancelable after the free look period and the conditions under which it may be canceled including the procedures for requesting any refund of the unearned purchase price paid by the contract holder;

6. In the event of cancelation, the methodology for calculating any refund of the unearned purchase price of the vehicle value protection agreement due;

7. That neither the extension of credit, the terms of the credit, nor the terms of the related motor vehicle sale or lease may be conditioned upon the purchase of the vehicle value protection agreement; and

8. Vehicle value protection agreements shall state the terms and restrictions, or conditions governing cancelation of the vehicle value protection agreement prior to the termination or expiration date of the vehicle value protection agreement by either the provider or the contract holder. The provider of the vehicle value protection agreement shall mail a written notice to the contract holder at the last known address of the contract holder contained in the records of the provider at least five (5) days prior to cancelation by the provider. Prior notice shall not be required if the reason for cancelation is nonpayment of the provider fee, a material misrepresentation by the contract holder to the provider or administrator, or a substantial breach of duties by the contract holder relating to the covered product or its use. The notice shall state the effective date of cancelation and the reason for the cancelation. If a vehicle value protection agreement is canceled by the provider for a reason other than nonpayment of the provider fee, the provider shall refund the contract holder one hundred percent (100%) of the unearned pro rata provider fee paid by the contract holder, if any. If coverage under the vehicle value protection agreement continues after a claim, then any refund may deduct claims paid. A reasonable administrative fee may be charged by the provider not to exceed Seventy-five Dollars (\$75.00).

~~D. E.~~ Subsection ~~E~~ D of this section and Section ~~5~~ 140.6 of this ~~act~~ title shall not apply to vehicle value protection agreements offered in connection with a commercial transaction.

SECTION 3. AMENDATORY Section 5, Chapter 16, O.S.L. 2022 (15 O.S. Supp. 2023, Section 140.6), is amended to read as follows:

Section 140.6. The Insurance Commissioner shall promulgate rules necessary to enforce the provisions of ~~this act~~ Section 140.2 et seq. of this title. After proper notice and opportunity for hearing the Commissioner may take either or both of the following actions:

1. Order the creditor, provider, administrator, or any other person not in compliance with ~~this act~~ Section 140.2 et seq. of this title to cease and desist from product related operations which are in violation of ~~this act~~ Section 140.2 et seq. of this title; ~~and or~~

2. Impose a penalty not to exceed Five Hundred Dollars (\$500.00) per violation and no more than Ten Thousand Dollars (\$10,000.00) for aggregated violations of a similar nature. For purposes of this section, "violations of a similar nature" means the violation consisted of the same or similar course of conduct, action, or practice, irrespective of the number of times the action, conduct, or practice which is determined to be a violation of ~~this act~~ Section 140.2 et seq. of this title occurred.

SECTION 4. AMENDATORY 15 O.S. 2021, Section 141.4, is amended to read as follows:

Section 141.4. A. No person in this state shall act as a service warranty association unless licensed by the Insurance Commissioner.

B. A service warranty association shall pay to the Insurance Department a license fee of Four Hundred Dollars (\$400.00) for such license for each year, or part thereof, the license is in force. Each service warranty association applying for a license shall electronically submit a complete license application and pay the license fee to the Insurance Commissioner in the manner and form prescribed by the Commissioner, along with any transaction or other applicable fees. Each application shall include a signed declaration that under penalty of refusal, suspension, or revocation of the license, the information provided in the application is true, correct, and complete to the best of the applicant's knowledge and belief.

C. An insurer, while authorized to transact property or casualty insurance in this state, may also transact a service warranty business without additional qualifications or licensure as required by the Service Warranty Act, but shall be otherwise subject to the provisions of the Service Warranty Act.

D. A service warranty association may appoint an administrator or other designee to be responsible for any or all of the administration of service warranties and compliance with the Service Warranty Act.

E. The marketing, sale, offering for sale, issuance, making, proposing to make and administration of service warranties by

associations and related service warranty sellers, administrators, and other persons shall be exempt from all provisions of the Oklahoma Insurance Code.

F. An agreement which provides specified scheduled maintenance services over a stated period of time does not constitute insurance or a service warranty.

SECTION 5. AMENDATORY 15 O.S. 2021, Section 141.5, is amended to read as follows:

Section 141.5. The Insurance Commissioner shall not issue or renew a license to any service warranty association unless the association:

1. Is a solvent association;
2. Furnishes the Insurance Department with satisfactory evidence that the management of the association is competent and trustworthy and can successfully manage the affairs of the association in compliance with law;
3. Proposes to use and uses in its business a name together with a trademark or emblem, if any, which is distinctive and not so similar to the name or trademark of any other person already doing business in this state as will tend to mislead or confuse the public;
4. Files the bond required by the Service Warranty Act; ~~and~~
5. Is formed under the laws of this state or another state, district, territory, or possession of the United States, if the association is other than a natural person; and
6. Has submitted all annual financial statements and administrative fees required by the Service Warranty Act.

SECTION 6. AMENDATORY 15 O.S. 2021, Section 141.8, is amended to read as follows:

Section 141.8. Each license issued to a service warranty association shall expire on November 1 following the date of

issuance. If the association is then qualified under the provisions of the Service Warranty Act, its license may be renewed annually, upon its request electronic submission of a renewal application and fee in the manner and form prescribed by the Insurance Commissioner along with any applicable fees, and upon payment to the Insurance Commissioner of the license fee in the amount of Four Hundred Dollars (\$400.00) in advance for each such license year. A license expired for failure to submit a renewal application may be reinstated within ninety (90) days after the expiration date by electronically submitting a fee in an amount that is double the renewal fee and a renewal application in the form and manner prescribed by the Commissioner along with any transaction or other applicable fees. The Commissioner shall require a service warranty association whose license has been expired for more than ninety (90) days to reapply as if a new applicant and pay an application fee that is double the initial application fee, in addition to any fines imposed. All applications received after the license has been expired for more than ninety (90) days shall include a detailed report of service warranties issued in this state during the period of expired licensure.

SECTION 7. AMENDATORY 15 O.S. 2021, Section 141.13, as amended by Section 1, Chapter 241, O.S.L. 2017, is amended to read as follows:

Section 141.13. A. No service warranty form or related form shall be issued or used in this state unless the form has been filed with the Insurance Commissioner. Service warranty forms shall not be subject to prior approval and shall be filed with the Insurance Commissioner for informational purposes only.

B. Each service warranty contract shall contain a ~~cancellation~~ cancelation provision. In the event the contract is canceled by the warranty holder, return of the provider fee shall be based upon ninety percent (90%) of the unearned pro rata provider fee less the actual cost of any service provided under the service warranty contract. In the event the contract is canceled by the association, return of premium shall be based upon one hundred percent (100%) of unearned pro rata provider fee less the actual cost of any service provided under the service warranty contract.

C. Service warranties shall state the name and address of the service warranty association and shall identify any administrator if different from the service warranty association, the service warranty seller and the service warranty holder to the extent that the name of the service warranty holder has been furnished by the service warranty holder. For service warranties issued on and after July 1, 2017, the identity of the service warranty association and its license number shall be preprinted on the service warranty or added at the time of sale so consumers can clearly identify the obligor of the service warranty. Information to be printed at the time of sale shall be indicated as such at the time the service warranty is filed and a "Jane Doe" specimen shall accompany the service warranty illustrating how the service warranty will look after printing.

Each person and service warranty association shall electronically submit, in the form and manner prescribed by the Commissioner, any change of legal business name, "doing business as" or assumed name, address, or contact email address within thirty (30) days after the change occurred, and any fees deemed necessary by the Commissioner. Any submission of a change under this paragraph received more than thirty (30) days after the change occurs shall be accompanied by a fee of Fifty Dollars (\$50.00).

D. The Commissioner shall have the authority to immediately order a service warranty association to stop using any service warranty contract if the Commissioner determines that the form:

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

E. The Insurance Commissioner may, by order, exempt from the requirements of this section for so long as he or she deems proper any document or form or type thereof as specified in such order, to which, in his or her discretion, this section may not practicably be applied, or the filing of which is, in his or her opinion, not desirable or necessary for the protection of the public.



SECTION 8. AMENDATORY 15 O.S. 2021, Section 141.14, is amended to read as follows:

Section 141.14. A. In addition to the license fees provided in the Service Warranty Act for service warranty associations each service warranty association and insurer shall annually, on or before the first day of May, file with the Insurance Commissioner its annual financial statement as of a date not earlier than three hundred sixty-five (365) days prior to the date submitted showing all gross written provider fees or assessments received by it in connection with the issuance of service warranties in this state during the preceding calendar year and other relevant financial information as deemed necessary by the Commissioner. The financial statements required by this subsection must be:

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

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

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

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

D. Provider fees and assessments received by associations and insurers for service warranties shall not be subject to the premium tax provided in Section 624 of Title 36 of the Oklahoma Statutes, but shall be subject to an administrative fee of equal to two percent (2%) of the gross provider fee received on the sale of all

service warranties issued in this state during the preceding calendar quarter. The fees shall be paid quarterly to the Insurance Commissioner. However, licensed associations, licensed insurers and entities with applications for licensure as a service warranty association pending with the Insurance Department that have contractual liability insurance in place as of March 31, 2009, from an insurer which satisfies the requirements of subsections B and C of Section 141.6 of this title and which covers one hundred percent (100%) of the claims exposure of the association or insurer on all contracts written may elect to pay an annual administrative fee of Three Thousand Dollars (\$3,000.00) in lieu of the two-percent administrative fee.

SECTION 9. AMENDATORY 15 O.S. 2021, Section 141.33, is amended to read as follows:

Section 141.33. A. Claim files of service warranty associations licensed pursuant to the Service Warranty Act shall be subject to examination by the Insurance Commissioner or by duly appointed designees. The claim files shall contain all notes and work papers pertaining to a claim in such detail that pertinent events and the dates of the events can be reconstructed. In addition, the Commissioner and authorized employees and examiners shall have access to any files of a service warranty association that may relate to a particular complaint under investigation or to an inquiry or examination by the Insurance Department.

B. Every service warranty association, upon receipt of any inquiry from the Commissioner, shall, within ~~thirty (30)~~ twenty (20) days from the date of the inquiry, furnish the Commissioner with an adequate response to the inquiry.

C. Every service warranty association, upon receipt of any pertinent written communication including, but not limited to, electronic mail or other forms of written electronic communication or documentation by the service warranty association of a verbal communication from a claimant which reasonably suggests that a response is expected, shall, within thirty (30) days after receipt thereof, furnish the claimant with an adequate response to the communication.

D. Any violation by a service warranty association of this section shall subject the service warranty association to discipline including a civil penalty of not less than One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars (\$5,000.00).

SECTION 10. This act shall become effective November 1, 2024.

Passed the Senate the 20th day of March, 2023.

\_\_\_\_\_  
Presiding Officer of the Senate

Passed the House of Representatives the 24th day of April, 2024.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_