Spec Sheet

Motor Service Club (MSC)

Regulations 36 OS 3101 – 3112


Motor club service means the rendering, furnishing or procuring of, or reimbursement for, towing service, emergency road service, insurance service, bail bond service, legal service, discount service, financial service, buying and selling service, theft service, map service, touring service, or any three or more thereof, to any person, in connection with the ownership, operation, use or maintenance of a motor vehicle by such person, that has membership, for consideration.

36 § 3101 Definitions:

"Company" means any person, firm, copartner ship, company, association, or corporation engaged in selling, furnishing, or procuring, either as principal or producer, for a consideration, motor club service.

"Producer" means a limited insurance representative who solicits the purchase of service contracts or transmits for another any such contract, or application therefor, to or from the company, or acts or aids in any manner in the delivery or negotiation of any such contract, or in the renewal or continuance thereof. This, however, shall not include any person performing only work of a clerical nature in the office of the motor club.

"Towing service" means any act by a company which consists of towing or moving a motor vehicle from one place to another under other than its own power.

"Emergency road service" means any act by a company to adjust, repair or replace the equipment, tires, or mechanical parts of a motor vehicle so it may operate under its own power; or reimbursement of expenses incurred by a member when his or her motor vehicle is unable to operate under its own power.

"Insurance service" means any act to sell or give to the holder of a service contract or because of membership in or affiliation with a company a policy of insurance covering the holder for liability or loss for personal injury or property damage resulting from the ownership, maintenance, operation or use of a motor vehicle.
"Bail bond service" means any act by a company to furnish or procure a cash deposit, bond or other undertaking required by law for any person accused of a law violation of this state, pending trial.

"Discount service" means any act by a company resulting in special discounts, rebates, or reductions of price on gasoline, oil, repairs, insurance, parts, accessories or service for motor vehicles to holders of service contracts.

"Financial service" means any act by a company to loan or otherwise advance monies, with or without security, to a service contract holder.

"Buying and selling service" means any act by a company to aid the holder of a service contract in the purchase or sale of an automobile.

"Theft service" means any act by a company to locate, identify or recover a stolen or missing motor vehicle owned or controlled by the holder of a service contract or to detect or apprehend the person guilty of such theft.

"Map service" means any act by a company to furnish road maps without cost to holders of service contracts.

"Touring service" means any act by a company to furnish touring information without cost to holders of service contracts.

"Legal service" means any act by a company to furnish to a service contract holder, without cost, the services of an attorney.

"Motor club service" means the rendering, furnishing or procuring of, or reimbursement for, towing service, emergency road service, insurance service, bail bond service, legal service, discount service, financial service, buying and selling service, theft service, map service, touring service, or any three or more thereof, to any person, in connection with the ownership, operation, use or maintenance of a motor vehicle by such person, that has membership, for consideration.

"Service contract" means any written agreement whereby any company, for a consideration, promises to render, furnish, or procure for any person motor club service.

47 § 701"Guaranteed arrest bond certificate" means any printed card or other certificate issued by an automobile club, association or insurance company to any of its members or insureds, which card or certificate is signed by the member or insured and contains a printed statement that such automobile club, association or insurance company and a surety company or an insurance company authorized to transact both automobile liability insurance and surety business, guarantee the appearance of the person whose signature appears on the card or certificate and that they will in the event of failure of the person to appear in court at the time of trial, pay any fine or forfeiture imposed on the person in an amount not exceeding Five Hundred Dollars ($500.00).
Registration fees:
$250 initial application and $100 annually if renewed prior to the expiration date
Cycle – license expires annually on July 1 unless renewed

36 § 3102 Requirements

- Deposit of Security Prior to Doing Business – Deposit with the Commissioner one of the following:
  - Cash or securities in the amount of $50,000
  - A corporate surety bond in the amount of $100,000
- Certified copy of its charter or articles of incorporation and its bylaws
- Dated December 31 of the previous calendar year or later - A copy the latest financial statement or report of independent audit. If neither is available, the most recent audited and certified operating statement and balance sheet verified by the person compiling or making the same and by an executive officer of the applicant
- Non-resident (foreign) company is required to submit a certificate/registration/permit/license from its domiciliary state regulatory authority executed not more than 30 days before submitting the Oklahoma initial/renewal application, signifying that it is duly authorized to do motor club business in that state
- An explanation of its plan of doing business in Oklahoma, include copies of:
  - its application for membership,
  - copy of any proposed membership certificate or identification card and any proposed addendum,
  - copy of any individual insurance policy and any group master policy and individual certificates to be offered,
  - copy of any service contract to be issued
  - such other information as the Commissioner may find necessary to determine the applicant's qualifications.
- Signed NAIC form 11 biographical affidavits for officers, directors, managers, and individual owners of more than ten percent (10%) that it is not disqualified under any provisions contained in Section 3101 et seq. of this title or contained in the Insurance Code

47 § 701 and 702 – Guaranteed Arrest Bond Certificates

- Any automobile club or other association may issue guaranteed arrest bond certificates valid for one (1) year from date of issue not to exceed $500.00 on each undertaking, provided such certificates have been fully guaranteed or reinsured by an insurer then licensed by the Insurance Commissioner to transact surety business in this state and such guarantee or reinsurance by the insurer covers all certificates issued by the automobile club or other association during the term of the guarantee or reinsurance written by the insurer.
- Any trucking association may issue guaranteed arrest bond certificates valid for one (1) year from January 1 of the year of issue as provided in this act in an amount not to exceed
One Thousand Dollars ($1,000.00) on each undertaking, provided such certificates have been fully guaranteed by the trucking association or reinsured by an insurer then licensed by the Insurance Commissioner to transact surety business in this state and such guarantee or reinsurance by the insurer covers all certificates issued by the trucking association or other association during the term of the guarantee or reinsurance written by the insurer. Such insurer shall first file with the Insurance Commissioner an undertaking thus to become surety. The guarantee by the trucking association shall, at the discretion of the Insurance Commissioner, be secured by a deposit with the Insurance Commissioner of up to Fifty Thousand Dollars ($50,000.00), either cash or bond at the discretion of the Commissioner, to guarantee performance of said undertaking. Such guaranteed arrest bond certificates may be issued also in conjunction with automobile liability policies by any insurer authorized to then write automobile liability insurance within this state upon such insurer filing with the Insurance Commissioner an undertaking thus to become such surety.

- The OID will notify in writing the State Commissioner of Public Safety, each chief of municipal police department, each county sheriff of this state, the name of each surety, insurance company, trucking association, or association authorized to issue guaranteed arrest bond certificates.

### 36 § 3105 Limited Lines Producer

Refer to the OID Licensing webpage for details license requirements.

Link: [https://www.oid.ok.gov/licensing-and-education/insurance-license-types/](https://www.oid.ok.gov/licensing-and-education/insurance-license-types/)

### 36 § 3106 Financial Condition

- Whenever the Insurance Commissioner deems it to be prudent or necessary the Commissioner shall personally, or by an authorized representative, visit each motor service club and thoroughly inspect and examine its financial condition, its ability to fulfill its obligations, whether it has complied with the provisions of this act and any other facts relative to its business methods, management, and the equity of its dealings with its members.

- Every motor service club shall furnish to the Commissioner, on or before July 1 of each year, on blanks prescribed and furnished by the Commissioner, a statement which shall exhibit the financial condition of the company as of December 31 of the previous calendar year. Such statements shall be subscribed and sworn to by the president and secretary or two other proper officers of the company.