



BULLETIN NO. 2024-05

TO: VENDORS OF DEBT WAIVERS AND VEHICLE VALUE PROTECTION AGREEMENTS

RE: FINANCIAL PROTECTION PRODUCTS

FROM: GLEN MULREADY, INSURANCE COMMISSIONER

DATE: SEPTEMBER 1, 2024

The Regulated Industry Services (RIS) Division of the Oklahoma Insurance Department (OID) will oversee the new Financial Protection Product registrations. The OID's Rate and Form (R&F) Division will oversee the reinsurance policy form filing. Legislative changes requiring the registration and form filings for Debt Waivers or Vehicle Value Protection Agreements are summarized below. **Disclaimer:** *The following overview does not include every legislative change made in 2024. Please refer to the Oklahoma Supreme Court Network (OSCN) webpage to view all changes.*

Financial Protection Products

Legislative Changes effective November 1, 2024
SB 541

Debt Waiver - 15 O.S. § 140.4(B).

Registration - 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.

Contact change - 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.

Days to respond - 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.

Vehicle Value Protection Agreements - 15 O.S. § 140.5(B).

Registration - 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.

Contact change - 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.

Days to respond - 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.

15 O.S. § 140.5(C)(3)(a).

Amends the reinsurance policy requirement - 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,

15 O.S. § 140.5(C)(3)(b)(2).

Amends security deposit – removes cash as an option.

Refer to the RIS Webpage for more details and instructions <https://www.oid.ok.gov/regulated-entities/regulated-industry-services/>. Questions concerning this bulletin should be directed to the Oklahoma Insurance Department’s Regulated Industry Services Division at 405-521-2828 or by email to ris@oid.ok.gov.