

1 **SENATE FLOOR VERSION**

2 February 13, 2017

3 SENATE BILL NO. 495

By: Sparks

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6 An Act relating to fire insurance; amending 36 O.S.
7 2011, Section 4809, which relates to reduced rates
8 for failure to pay assessments; removing prohibition
9 on rewriting insurance policies in certain
10 situations; requiring insurers to obtain evidence of
11 certain payments annually; and providing an effective
12 date.

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

14 SECTION 1. AMENDATORY 36 O.S. 2011, Section 4809, is
15 amended to read as follows:

16 Section 4809. A. No property or casualty insurance company
17 shall give any special or reduced rate for fire insurance on any
18 risk because it is located in a rural fire protection district or in
19 an area protected by a rural fire department in which the district
20 or department is wholly or partially funded by dues or subscription
21 payments paid by owners of property who are members of an
22 association supporting the rural fire department to any person who
23 fails or refuses to pay the appropriate dues or subscription
24 payments for support of the district or department pursuant to the
procedure outlined in subsection C of this section.

1 B. Property owners owning property in more than one fire
2 district or fire department area relying on dues or subscriptions
3 for partial or complete funding shall pay dues to a fire district or
4 fire department in whose district or area they own property if they
5 wish to receive special or reduced rates for property and casualty
6 insurance.

7 C. It is unlawful for any insurance agent or company to
8 knowingly write an initial policy of fire insurance coverage ~~or to~~
9 ~~rewrite such a policy~~ on any risk located in a rural fire protection
10 district or in any area protected by a rural fire department at any
11 special or reduced rate or with any rate credit based on location of
12 the risk in the district or area without having first obtained from
13 the insured or from the rural fire protection district or rural fire
14 department evidence that current dues or subscription payments, if
15 any, for the property to be insured have been paid. Following the
16 writing of the initial policy, the insurance agent or company shall
17 obtain evidence of successful payment of current dues or
18 subscription payments annually. The evidence required by the
19 insurer may be a receipt, canceled check, or other valid proof of
20 payment.

21 D. If any agent is found by the Insurance Commissioner to have
22 violated the provisions of this subsection, the agent shall be
23 liable for an administrative penalty of Twenty-five Dollars (\$25.00)

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1 for the first violation and Fifty Dollars (\$50.00) for any
2 subsequent violation.

3 SECTION 2. This act shall become effective November 1, 2017.

4 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
5 February 13, 2017 - DO PASS
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