

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 495 By: Sparks of the Senate
3 and
4 Coody of the House
5
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7 [fire insurance - failure to pay assessments -
8 prohibition on rewriting insurance policies -
effective date]
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11 AMENDMENT NO. 1. Replace the stricken title, enacting clause and
entire bill and insert
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13 "An Act relating to fire insurance; amending 36 O.S.
2011, Section 4809, which relates to reduced
14 insurance rates; providing certain exception;
removing certain prohibition on rewriting insurance
15 policies; requiring insurers to obtain evidence of
certain payment annually; providing certain
16 exemption; and providing an effective date.
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

22 Section 4809. A. ~~No~~ Except as otherwise provided in this
23 subsection, no property or casualty insurance company shall give any
24 special or reduced rate for fire insurance on any risk because it is

1 located in a rural fire protection district or in an area protected
2 by a rural fire department in which the district or department is
3 wholly or partially funded by dues or subscription payments paid by
4 owners of property who are members of an association supporting the
5 rural fire department to any person who fails or refuses to pay the
6 appropriate dues or subscription payments for support of the
7 district or department pursuant to the procedure outlined in
8 subsection C of this section. Property and casualty insurance
9 companies providing a fire run service benefit payment within the
10 fire insurance policy shall not be subject to this subsection.

11 B. Property owners owning property in more than one fire
12 district or fire department area relying on dues or subscriptions
13 for partial or complete funding shall pay dues to a fire district or
14 fire department in whose district or area they own property if they
15 wish to receive special or reduced rates for property and casualty
16 insurance.

17 C. ~~It~~ Except as otherwise provided in this subsection, it is
18 unlawful for any insurance agent or company to knowingly write an
19 initial policy of fire insurance coverage or to rewrite such a
20 policy on any risk located in a rural fire protection district or in
21 any area protected by a rural fire department at any special or
22 reduced rate or with any rate credit based on location of the risk
23 in the district or area without having first obtained from the
24 insured or from the rural fire protection district or rural fire

1 department evidence that current dues or subscription payments, if
2 any, for the property to be insured have been paid. Following the
3 writing of the initial policy, the insurance agent or company shall
4 obtain evidence of successful payment of current dues or
5 subscription payments annually. The evidence required by the
6 insurer may be a receipt, canceled check, or other valid proof of
7 payment. Any insurance agent or company writing a policy of fire
8 insurance coverage providing a fire run service benefit payment
9 within the fire insurance policy shall not be subject to this
10 subsection.

11 D. If any agent is found by the Insurance Commissioner to have
12 violated the provisions of this subsection, the agent shall be
13 liable for an administrative penalty of Twenty-five Dollars (\$25.00)
14 for the first violation and Fifty Dollars (\$50.00) for any
15 subsequent violation.

16 SECTION 2. This act shall become effective November 1, 2017."
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1 Passed the House of Representatives the 13th day of April, 2017.

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4 Presiding Officer of the House of
Representatives
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6 Passed the Senate the ____ day of _____, 2017.

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9 Presiding Officer of the Senate
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1 ENGROSSED SENATE
2 BILL NO. 495

By: Sparks of the Senate

and

Coody of the House

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6 [fire insurance - failure to pay assessments -
7 prohibition on rewriting insurance policies -
8 effective date]
9

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

11 SECTION 3. AMENDATORY 36 O.S. 2011, Section 4809, is
12 amended to read as follows:

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

23 B. Property owners owning property in more than one fire
24 district or fire department area relying on dues or subscriptions

1 for partial or complete funding shall pay dues to a fire district or
2 fire department in whose district or area they own property if they
3 wish to receive special or reduced rates for property and casualty
4 insurance.

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

19 D. If any agent is found by the Insurance Commissioner to have
20 violated the provisions of this subsection, the agent shall be
21 liable for an administrative penalty of Twenty-five Dollars (\$25.00)
22 for the first violation and Fifty Dollars (\$50.00) for any
23 subsequent violation.

24 SECTION 4. This act shall become effective November 1, 2017.

1 Passed the Senate the 22nd day of March, 2017.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2017.

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8 _____
9 Presiding Officer of the House
of Representatives