

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 670

By: Brown

4
5 AS INTRODUCED

6 An Act relating to property insurance; amending 36
7 O.S. 2011, Section 4804, which relates to policy
8 limitations and liability; prohibiting certain
9 companies from issuing fire insurance beyond total
10 replacement cost of a property; and providing an
11 effective date.

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

13 SECTION 1. AMENDATORY 36 O.S. 2011, Section 4804, is
14 amended to read as follows:

15 Section 4804. No insurance company shall, knowingly, issue any
16 fire insurance policy upon property within this state for an amount
17 which, ~~with any existing insurance thereon,~~ exceeds the ~~fair value~~
18 replacement cost of the property. If buildings insured against loss
19 by fire, and situated within this state, are totally destroyed by
20 fire, the company shall not be liable beyond the ~~actual value~~
21 replacement cost of the insured property at the time of the loss or
22 damage, and if it shall appear that the insured has paid premiums on
23 an amount in excess of ~~said actual value~~ the replacement cost, upon
24 the insured's request, the ~~assured~~ insured shall be reimbursed the

1 proportionate excess of premiums paid on the difference between the
2 ~~amount named in the policy and said actual value~~ limit identified on
3 the declaration page of the policy or renewal certificate and the
4 replacement cost, with interest at six percent (6%) per annum from
5 the date ~~of issue~~ the amount named in the policy exceeded the
6 estimated replacement value of the property, as adjusted for
7 inflation and cost increases, up until the time of total loss by
8 fire. This section shall not be applicable where the insured
9 voluntarily insures the property in excess of the estimated
10 replacement value.

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

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