

1 **SENATE FLOOR VERSION**

February 13, 2017

2 **AS AMENDED**

3 SENATE BILL NO. 670

By: Brown

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5
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 Except as provided herein, no** insurance
16 company shall, knowingly, issue any fire insurance policy upon
17 property within this state for an amount which, ~~with any existing~~
18 ~~insurance thereon,~~ exceeds the ~~fair value~~ replacement cost of the
19 property. If buildings insured against loss by fire, and situated
20 within this state, are totally destroyed by fire, the company shall
21 not be liable beyond the ~~actual value~~ replacement cost of the
22 insured property at the time of the loss or damage, and if it shall
23 appear that the insured has paid premiums on an amount in excess of
24 ~~said actual value~~ the replacement cost, the ~~assured~~ insured shall be
reimbursed the proportionate excess of premiums paid on the

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

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

11 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
12 February 13, 2017 - DO PASS AS AMENDED
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