

ENGROSSED HOUSE
BILL NO. 1134

BY: LEIST and DUNEGAN of the
HOUSE

and

LONG (Lewis) of the
SENATE

AN ACT RELATING TO DEBTOR AND CREDITOR; AMENDING 24

O.S. 1981, SECTION 13, WHICH RELATES TO CREDIT LIFE
INSURANCE POLICIES; PROVIDING A TIME LIMIT FOR
ACCEPTING OR DENYING APPLICATIONS FOR CERTAIN
INSURANCE; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AMENDATORY 24 O.S. 1981, Section 13, is
amended to read as follows:

Section 13. A. Whenever a credit life insurance policy or
other insurance policy is obtained on the life of a debtor under or
pursuant to the terms of a contract for the sale of a motor vehicle,
merchandise or other property, the person, firm, company or
corporation obtaining or receiving the policy shall furnish a copy
of the policy, or a certificate or statement of insurance in the
case of a group policy, to the insured not later than thirty (30)
days after receipt thereof. Such policy shall be on a form approved
by the State Insurance Commissioner, and the principal amount
payable thereunder shall not be in excess of the total amount the
debtor agrees to pay when he enters into such contract, provided,
however, that where the indebtedness is repayable in installments,

the amount of the insurance shall not exceed the approximate unpaid balance of the loan. If all amounts payable under such contract are paid before the same become due, such policy shall be canceled at the request of the insured who shall be paid any refund for unearned premium on the policy within fifteen (15) days after such cancellation.

B. Whenever a person, firm, company or corporation applies for a credit life insurance policy or other policy on the life of a debtor, the insurer shall accept or deny the application within sixty (60) days of receiving the application. Failure to advise the applicant of acceptance or denial within sixty (60) days shall constitute an acceptance.

SECTION 2. This act shall become effective September 1, 1991.

Passed the House of Representatives the 26th day of February, 1991.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate