

SHORT TITLE: Insurance; requiring insurer withhold portion of payment for total loss of a structure until certain action is taken and proof is submitted to insurer; codification; effective date.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 478

By: Robinson

AS INTRODUCED

An Act relating to insurance; requiring insurer withhold portion of payment for total loss of a structure until certain action is taken and proof is submitted to insurer; construing provision; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4809 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. Notwithstanding any other provision of law, in the case of a total loss of a structure which is covered under a homeowner's policy, the insurer shall withhold an amount sufficient to cover the cost of repair or demolition and removal of the structure, not to exceed up to fifty percent (50%) of the amount to be paid to the insured for the loss, until such time that the structure has been repaired or demolished and removed and proof of such action has been received by the insurer.

B. Nothing in this section shall be construed to relieve the insurer from paying the full value of any claim against the policy up to the maximum amount for which the structure is insured.

SECTION 2. This act shall become effective September 1, 1993.

44-1-0594

JY

