

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2920

By: Ostrander

AS INTRODUCED

An Act relating to insurance; prohibiting short-rate penalties for early cancellation of property and casualty insurance policies; making prohibition applicable to workers' compensation policies; defining term; 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 3623.2 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. Any property or casualty insurance policy issued or renewed on or after November 1, 1998, shall not include any provision that authorizes the insurer to charge a short-rate penalty for the early cancellation of an insurance policy.

B. In addition to other types of property or casualty insurance, the provisions of this section shall apply to workers' compensation insurance policies.

C. As used in this section, "short-rate penalty" means a charge by an insurance company that reduces the unearned premium that is returned to the policyholder.

SECTION 2. This act shall become effective November 1, 1998.

46-2-7965 SD