

ENROLLED SENATE
BILL NO. 19

By: Capps of the Senate

and

Benson, Leist, Hefner,
Hiett, Adair and Mitchell
of the House

An Act relating to fire protection districts; prohibiting giving or receiving certain reduced insurance rates for property located in rural fire protection districts for persons failing or refusing to pay assessments; providing for administrative penalty; 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. No property or casualty insurance company shall give any special or reduced rate for fire insurance on any risk because it is located in a rural fire protection district or in an area protected by a rural fire department in which the district or department is wholly or partially funded by dues or subscription payments paid by owners of property who are members of an association supporting the rural fire department to any person who fails or refuses to pay the appropriate dues or subscription payments for support of the district or department.

B. Property owners owning property in more than one fire district or fire department area relying on dues or subscriptions for partial or complete funding shall pay dues to each fire district or fire department in whose district or area they own property if they wish to receive special or reduced rates for property and casualty insurance.

C. It is unlawful for any insurance agent or company to knowingly write an initial or renewal policy of fire insurance coverage on any risk located in a rural fire protection district or in any area protected by a rural fire department at any special or reduced rate or with any rate credit based on location of the risk in the district or area without having first obtained from the insured or from the rural fire protection district or rural fire department evidence that current dues or subscription payments, if any, for the property to be insured have been paid. The evidence required by the insurer may be, but is not limited to, a receipt, canceled check, or other valid proof of payment.

D. If any agent is found by the Insurance Commissioner to have violated the provisions of this subsection, the agent shall be liable for an administrative penalty of Twenty-five Dollars (\$25.00) for the first violation and Fifty Dollars (\$50.00) for the second violation. For any subsequent violation, the agent shall be liable for an administrative penalty equal to the difference between the amount of the premium actually charged on the particular policy involved, based on the special rate and the amount of the premium which would have been charged if the special rate had not been applied.

SECTION 2. This act shall become effective November 1, 2002.

Passed the Senate the 4th day of March, 2002.

Presiding Officer of the Senate

Passed the House of Representatives the 9th day of April, 2002.

Presiding Officer of the House
of Representatives