ENGROSSED HOUSE
BILL NO. 2668

By: Staggs of the House

and

Robinson of the Senate

An Act relating to insurance; amending 36 O.S. 2001, Section 941, which relates to motor vehicle insurance policies; prohibiting certain acts in relation to motor vehicle insurance policies; requiring certain provision in motor vehicle insurance policies; requiring certain provision in property and casualty insurance policies; prohibiting certain acts in relation to property and casualty insurance policies; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 941, is amended to read as follows:

Section 941. A. No insurance carrier who issues motor vehicle insurance policies in this state shall assign driving record points, cancel, refuse to issue or renew, or charge a higher premium rate for any motor vehicle liability or collision insurance policy for the reason that the insured has been involved in a motor vehicle collision and was not at fault.

B. <u>No insurance carrier who issues motor vehicle insurance policies in this state shall cancel, refuse to issue or renew, or charge a higher premium for any motor vehicle liability or collision insurance policy for the reason that the insured had lower liability limits with a previous insurer without actuarial justification. This prohibition includes using prior limits for company or tier placement unless the insurer provides actuarial justification.</u>

<u>C.</u> This section shall not apply to an insured who has been convicted of:

1. Homicide or assault arising out of the operation of any motor vehicle; or

2. A violation of Section 11-902 or 761 of Title 47 of the Oklahoma Statutes as being impaired by or under the influence of alcohol or intoxicating liquor or who was under the influence of any substance included in the Uniform Controlled Dangerous Substances Act.

~~C.~~ D. The Insurance Commissioner may suspend or revoke, after notice and hearing, the certificate of authority to transact insurance business in this state of any insurance carrier violating the provisions of this section or may censure the insurer or impose a fine.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 941.2 of Title 36, unless there is created a duplication in numbering, reads as follows:

Every motor vehicle liability insurance policy approved by the Insurance Commissioner shall include a provision providing that the financial responsibility limits of another state or province shall be met if so required by the other state and if the financial responsibility limits of the other state or province are higher than those required by the state where the motor vehicle is principally garaged. The policy does not have to contain the exact wording of this section or any other exact wording. Language which is substantially similar to this section shall be considered to be in compliance with this section.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1241.1 of Title 36, unless there is created a duplication in numbering, reads as follows:

Each property and casualty insurance policy approved by the Insurance Commissioner shall contain a provision describing the process for premium refund if the insured cancels the policy before the end of the policy period as defined in the policy. The

provision is to be included in the policy, or by rider or endorsement attached to the policy. The policy does not have to contain the exact wording of this section or any other exact wording. Language which is substantially similar to this section shall be considered to be in compliance with this section.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1241.2 of Title 36, unless there is created a duplication in numbering, reads as follows:

No insurer that issues any type of property or casualty insurance policy in this state shall increase premium rates, cancel a policy, or refuse to issue or renew a policy solely on the basis of a policyholder inquiring about making a claim or requesting information about a possible claim, if the policyholder does not in fact submit a claim.

SECTION 5. This act shall become effective November 1, 2004.

Passed the House of Representatives the 8th day of March, 2004.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2004.

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Presiding Officer of the Senate