

ENROLLED SENATE
BILL NO. 272

By: Capps of the Senate

and

Covey of the House

An Act relating to fire protection districts; amending Section 1, Chapter 68, O.S.L. 2002 (36 O.S. Supp. 2002, Section 4809), which relates to giving or receiving insurance rates; providing procedures; adding prohibition for rewrite for insurance on property located in rural fire protection districts; deleting redundant language; and providing an effective date.

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

SECTION 1. AMENDATORY Section 1, Chapter 68, O.S.L. 2002 (36 O.S. Supp. 2002, Section 4809), is amended to read as follows:

Section 4809. 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 pursuant to the procedure outlined in subsection C of this section.

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 a 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 or to rewrite such a policy 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~~ any subsequent violation.

SECTION 2. This act shall become effective November 1, 2003.

Passed the Senate the 12th day of May, 2003.

Presiding Officer of the Senate

Passed the House of Representatives the 14th day of May, 2003.

Presiding Officer of the House
of Representatives

