

EHB 2668

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THE STATE SENATE
Wednesday, March 31, 2004

ENGROSSED

House Bill No. 2668

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. 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

1 limits with a previous insurer without actuarial justification.
2 This prohibition includes using prior limits for company or tier
3 placement unless the insurer provides actuarial justification.

4 C. This section shall not apply to an insured who has been
5 convicted of:

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

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

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

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

21 Every motor vehicle liability insurance policy approved by the
22 Insurance Commissioner shall include a provision providing that the
23 financial responsibility limits of another state or province shall

1 be met if so required by the other state and if the financial
2 responsibility limits of the other state or province are higher than
3 those required by the state where the motor vehicle is principally
4 garaged. The policy does not have to contain the exact wording of
5 this section or any other exact wording. Language which is
6 substantially similar to this section shall be considered to be in
7 compliance with this section.

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

11 Each property and casualty insurance policy approved by the
12 Insurance Commissioner shall contain a provision describing the
13 process for premium refund if the insured cancels the policy before
14 the end of the policy period as defined in the policy. The
15 provision is to be included in the policy, or by rider or
16 endorsement attached to the policy. The policy does not have to
17 contain the exact wording of this section or any other exact
18 wording. Language which is substantially similar to this section
19 shall be considered to be in compliance with this section.

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

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

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

8 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & LABOR, dated 3-29-04 -
9 DO PASS.