

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1313

By: McCarter

COMMITTEE SUBSTITUTE

An Act relating to insurance; amending 36 O.S. 2001, Section 2801, as amended by Section 1, Chapter 21, O.S.L. 2004 and 2813 (36 O.S. Supp. 2004, Section 2801), which relate to farmers' mutual fire insurance associations; modifying requirements for formation of association; expanding scope of Insurance Code applicable to associations; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 2801, as amended by Section 1, Chapter 21, O.S.L. 2004 (36 O.S. Supp. 2004, Section 2801), is amended to read as follows:

Section 2801. Any fifty or more persons of lawful age, who shall be resident, bona fide farmers, and collectively shall own property of not less than Twenty-five Thousand Dollars (\$25,000.00), which they desire to have insured, may associate themselves together for the purpose of insuring any or all rural property located in this state, and including property located within the corporate limits of communities, towns and cities classified by Insurance Service Organizations or its successor as class ~~6~~ 5 towns ~~and or~~ cities with populations of ~~six thousand (6,000)~~ ten thousand (10,000) persons or less, and class ~~7, 8, 9 and 10~~ 6 communities, in a territory not exceeding ~~forty-five~~ fifty counties, as provided in this article, against loss by fire, lightning, tornado, and theft, and against property and liability loss and to provide extended coverage, and they may assess upon and collect from each other such

sums of money as from time to time may be necessary to pay losses, occurring from fire, lightning, tornado, and theft, property and liability loss and protection for the events provided by extended coverage insurance, to insured members of such associations. The assessment and collection of such sums of money shall be prescribed and regulated by the bylaws of such association. Such associations shall comply with all provisions of the Insurance Code not inconsistent with the provisions of this article.

SECTION 2. AMENDATORY 36 O.S. 2001, Section 2813, is amended to read as follows:

Section 2813. The provisions of this article apply only to farmers' mutual fire insurance associations and such associations shall be governed by this article to the extent provided herein. ~~Such associations shall be exempt from all other provisions of the insurance laws of this state except that the provisions of articles 1 (Scope of Title), 3 (Insurance Department; Insurance Commissioner; Insurance Board), 6 (Authorization of Insurers and General Requirements - except that the inclusion of theft insurance coverage shall require a minimum capital or surplus of One Hundred Fifty Thousand Dollars (\$150,000.00) under the provisions of Section 10 of such article 6), 12 (Unfair Practices and Frauds), 15 (Assets and Liabilities), 16 (Investments), 16A (Subsidiaries of Insurers), 17 (Administration of Deposits), 18 (Rehabilitation and Liquidation), 21 (Domestic Stock and Mutual Insurers; Organization and Corporate Procedures), and 48 (Property Insurance) shall apply to such associations~~ comply with all provisions of the Insurance Code to the extent that such provisions are not in conflict with the provisions of this article. ~~No law relating to insurance hereafter enacted shall apply to such associations unless they be expressly designated therein.~~

SECTION 3. This act shall become effective November 1, 2005.

50-1-6744 SD 2/15/05