

CS for SB 402

THE STATE SENATE
Tuesday, March 1, 2005

Committee Substitute for
Senate Bill No. 402

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 402 - By: EASLEY of the Senate and McDANIEL of the House.

[insurance - amending Title 36 - homeowner's policies - number of claims - notification of premiums due - effective date]

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 3639.1, is amended to read as follows:

Section 3639.1 No insurer shall cancel, refuse to renew or increase the premium of a homeowner's insurance policy, which has been in effect more than forty-five (45) days, solely because the insured filed a first or second claim against the policy; provided further, no insurer shall cancel, refuse to renew or increase the premium of any homeowner's insurance policy, which has been in effect more than forty-five (45) days, solely because the insured has filed a third or subsequent claim against the policy, and it has been at least five (5) years since the last claim against the policy has been filed. The provisions of this section shall not be construed to prevent the cancellation, nonrenewal or increase in premium of a homeowner's insurance policy for the following reasons:

- 1. Nonpayment of premium;

1 2. Discovery of fraud or material misrepresentation in the
2 procurement of the insurance or with respect to any claims submitted
3 thereunder;

4 3. Discovery of willful or reckless acts or omissions on the
5 part of the named insured which increase any hazard insured against;

6 4. A change in the risk which substantially increases any
7 hazard insured against after insurance coverage has been issued or
8 renewed;

9 5. Violation of any local fire, health, safety, building, or
10 construction regulation or ordinance with respect to any insured
11 property or the occupancy thereof which substantially increases any
12 hazard insured against;

13 6. A determination by the Commissioner that the continuation of
14 the policy would place the insurer in violation of the insurance
15 laws of this state; or

16 7. Conviction of the named insured of a crime having as one of
17 its necessary elements an act increasing any hazard insured against.

18 SECTION 2. AMENDATORY 36 O.S. 2001, Section 4003, is
19 amended to read as follows:

20 Section 4003. There shall be a provision that a grace period of
21 thirty (30) days, or, at the option of the insurer, of one month of
22 not less than thirty (30) days, shall be allowed within which the
23 payment of any premium after the first may be made, during which

1 period of grace the policy shall continue in full force; but if a
2 claim arises under the policy during such period of grace before the
3 overdue premium is paid the amount of such premium may be deducted
4 from the policy proceeds. The insurer shall provide notification of
5 any premium due on the policy prior to the due date of any such
6 premium.

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

8 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND LABOR, dated 2-21-05
9 - DO PASS, As Amended and Coauthored.