

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2208

By: Stiles

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7 COMMITTEE SUBSTITUTE

8 An Act relating to insurance claims; allowing insured
9 to assign benefits of policy to residential
10 contractor when certain conditions are met; limiting
11 amount of benefits assignable; defining term;
12 requiring a lender to release certain insurance
13 proceeds when certain conditions are met; providing
14 for codification; and providing an effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 4810 of Title 36, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Benefits available under a homeowner's policy, at the option
20 of the insured, shall be assignable to a residential contractor who
21 has provided services and procedures which are covered under the
22 policy. A residential contractor shall be compensated directly by
23 an insurer for services and procedures which have been provided when
24 the following conditions are met:

1 1. Benefits available under a policy have been assigned in
2 writing by an insured to the residential contractor; and

3 2. A copy of the assignment has been provided by the
4 residential contractor to the insurer.

5 B. Benefits assigned by the insured to the residential
6 contractor pursuant to this section shall be limited to the amount
7 of insurable interest, as defined in Section 3605 of Title 36 of the
8 Oklahoma Statutes, the insured has in the property.

9 C. As used in this section, "residential contractor" means a
10 person or entity in the business of contracting or offering to
11 contract with an owner or possessor of residential real estate to
12 repair or replace roof systems or perform any other exterior repair,
13 replacement, construction, or reconstruction work on residential
14 real estate.

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 4811 of Title 36, unless there
17 is created a duplication in numbering, reads as follows:

18 If a claim under an insurance policy for damage to residential
19 real property of Twenty Thousand Dollars (\$20,000.00) is paid to the
20 insured and a lender, and the lender holds all or part of the
21 proceeds from the insurance claim payment pending completion of all
22 or part of the repairs to the property, the lender shall either:

23 1. If the lender is current on mortgage payments and the lender
24 has received sufficient evidence that the repairs required pursuant

1 to the claim have been completed, release the proceeds to the
2 insured or its assignee not later than ten (10) days after the
3 lender receives payment of the insurance proceeds; or

4 2. If the lender is not current on mortgage payments and the
5 lender has received sufficient evidence that the repairs required
6 pursuant to the claim have been completed, release the proceeds to
7 the insured or its assignee not later than ten (10) days after the
8 lender becomes current on the mortgage payments.

9 SECTION 3. This act shall become effective November 1, 2013.

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