

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 2055

By: Schulz and Fields of the  
Senate

6 and

7 Ortega of the House

8  
9  
10 COMMITTEE SUBSTITUTE

11 An Act relating to insurance; amending 36 O.S. 2011,  
12 Section 4809, which relates to property insurance in  
13 fire protection districts; authorizing an insurer to  
14 require certain proof of payment within certain time  
15 period; and providing effective date.

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

17 SECTION 1. AMENDATORY 36 O.S. 2011, Section 4809, is  
18 amended to read as follows:

19 Section 4809. A. No property or casualty insurance company  
20 shall give any special or reduced rate for fire insurance on any  
21 risk because it is located in a rural fire protection district or in  
22 an area protected by a rural fire department in which the district  
23 or department is wholly or partially funded by dues or subscription  
24 payments paid by owners of property who are members of an

1 association supporting the rural fire department to any person who  
2 fails or refuses to pay the appropriate dues or subscription  
3 payments for support of the district or department pursuant to the  
4 procedure outlined in subsection C of this section.

5 B. Property owners owning property in more than one fire  
6 district or fire department area relying on dues or subscriptions  
7 for partial or complete funding shall pay dues to a fire district or  
8 fire department in whose district or area they own property if they  
9 wish to receive special or reduced rates for property and casualty  
10 insurance.

11 C. It is unlawful for any insurance agent or company to  
12 knowingly write an initial policy of fire insurance coverage or to  
13 rewrite such a policy on any risk located in a rural fire protection  
14 district or in any area protected by a rural fire department at any  
15 special or reduced rate or with any rate credit based on location of  
16 the risk in the district or area without having first obtained from  
17 the insured or from the rural fire protection district or rural fire  
18 department evidence that current dues or subscription payments, if  
19 any, for the property to be insured have been paid. The evidence  
20 required by the insurer may be a receipt, canceled check, or other  
21 valid proof of payment. An insurer or insured may request a rural  
22 fire protection district or rural fire department to provide  
23 evidence that an insured has paid all current dues or subscription  
24 payments. Upon receipt of such request, the rural fire protection

1 district or rural fire department shall have fifteen (15) days to  
2 deliver such evidence to the requesting party. Upon request of an  
3 insurer or an insured, the rural fire protection district or rural  
4 fire department shall provide such evidence within fifteen (15) days  
5 either written or electronically.

6 D. If any agent is found by the Insurance Commissioner to have  
7 violated the provisions of this subsection, the agent shall be  
8 liable for an administrative penalty of Twenty-five Dollars (\$25.00)  
9 for the first violation and Fifty Dollars (\$50.00) for any  
10 subsequent violation.

11 SECTION 2. This act shall become effective November 1, 2014.

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13 54-2-10678 AMM 03/27/14

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