

1 STATE OF OKLAHOMA

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

3 SENATE BILL 991

By: Stanislawski

4
5 AS INTRODUCED

6 An Act relating to insurance; amending 36 O.S. 2011,
7 Section 3636, which relates to uninsured motorist
8 insurance coverage requirements; prohibiting the
stacking of certain insurance policies; and providing
an effective date.

9
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 36 O.S. 2011, Section 3636, is
12 amended to read as follows:

13 Section 3636. A. No policy insuring against loss resulting
14 from liability imposed by law for bodily injury or death suffered by
15 any person arising out of the ownership, maintenance or use of a
16 motor vehicle shall be issued, delivered, renewed, or extended in
17 this state with respect to a motor vehicle registered or principally
18 garaged in this state unless the policy includes the coverage
19 described in subsection B of this section.

20 B. The policy referred to in subsection A of this section shall
21 provide coverage therein or supplemental thereto for the protection
22 of persons insured thereunder who are legally entitled to recover
23 damages from owners or operators of uninsured motor vehicles and
24 hit-and-run motor vehicles because of bodily injury, sickness or

1 disease, including death resulting therefrom. Coverage shall be not
2 less than the amounts or limits prescribed for bodily injury or
3 death for a policy meeting the requirements of Section 7-204 of
4 Title 47 of the Oklahoma Statutes, as the same may be hereafter
5 amended; provided, however, that increased limits of liability shall
6 be offered and purchased if desired, not to exceed the limits
7 provided in the policy of bodily injury liability of the insured.
8 However, insurers shall not increase the limits of liability by the
9 stacking of policies, wherein coverage of multiple motor vehicles is
10 combined to increase the payment limits for owners of multiple
11 vehicles involved in an accident with an uninsured or underinsured
12 motorist. The uninsured motorist coverage shall be upon a form
13 approved by the Insurance Commissioner as otherwise provided in the
14 Insurance Code and may provide that the parties to the contract
15 shall, upon demand of either, submit their differences to
16 arbitration; provided, that if agreement by arbitration is not
17 reached within three (3) months from date of demand, the insured may
18 sue the tort-feasor.

19 C. For the purposes of this coverage the term "uninsured motor
20 vehicle" shall include an insured motor vehicle where the liability
21 insurer thereof is unable to make payment with respect to the legal
22 liability of its insured within the limits specified therein because
23 of insolvency. For the purposes of this coverage the term
24 "uninsured motor vehicle" shall also include an insured motor

1 vehicle, the liability limits of which are less than the amount of
2 the claim of the person or persons making such claim, regardless of
3 the amount of coverage of either of the parties in relation to each
4 other.

5 D. An insurer's insolvency protection shall be applicable only
6 to accidents occurring during a policy period in which its insured's
7 uninsured motorist coverage is in effect where the liability insurer
8 of the tort-feasor becomes insolvent within one (1) year after such
9 an accident. Nothing herein contained shall be construed to prevent
10 any insurer from according insolvency protection under terms and
11 conditions more favorable to its insured than is provided hereunder.

12 E. For purposes of this section, there is no coverage for any
13 insured while occupying a motor vehicle owned by, or furnished or
14 available for the regular use of the named insured, a resident
15 spouse of the named insured, or a resident relative of the named
16 insured, if such motor vehicle is not insured by a motor vehicle
17 insurance policy.

18 F. In the event of payment to any person under the coverage
19 required by this section and subject to the terms and conditions of
20 such coverage, the insurer making such payment shall, to the extent
21 thereof, be entitled to the proceeds of any settlement or judgment
22 resulting from the exercise of any rights of recovery of such person
23 against any person or organization legally responsible for the
24 bodily injury for which such payment is made, including the proceeds

1 recoverable from the assets of the insolvent insurer. Provided,
2 however, with respect to payments made by reason of the coverage
3 described in subsection C of this section, the insurer making such
4 payment shall not be entitled to any right of recovery against such
5 tort-feasor in excess of the proceeds recovered from the assets of
6 the insolvent insurer of ~~said~~ the tort-feasor. Provided further,
7 that any payment made by the insured tort-feasor shall not reduce or
8 be a credit against the total liability limits as provided in the
9 insured's own uninsured motorist coverage. Provided further, that
10 if a tentative agreement to settle for liability limits has been
11 reached with an insured tort-feasor, written notice shall be given
12 by certified mail to the uninsured motorist coverage insurer by its
13 insured. Such written notice shall include:

14 1. Written documentation of pecuniary losses incurred,
15 including copies of all medical bills; and

16 2. Written authorization or a court order to obtain reports
17 from all employers and medical providers. Within sixty (60) days of
18 receipt of this written notice, the uninsured motorist coverage
19 insurer may substitute its payment to the insured for the tentative
20 settlement amount. The uninsured motorist coverage insurer shall
21 then be entitled to the insured's right of recovery to the extent of
22 such payment and any settlement under the uninsured motorist
23 coverage. If the uninsured motorist coverage insurer fails to pay
24 the insured the amount of the tentative tort settlement within sixty

1 (60) days, the uninsured motorist coverage insurer has no right to
2 the proceeds of any settlement or judgment, as provided herein, for
3 any amount paid under the uninsured motorist coverage.

4 G. A named insured or applicant shall have the right to reject
5 uninsured motorist coverage in writing. The form signed by the
6 insured or applicant which initially rejects coverage or selects
7 lower limits shall remain valid for the life of the policy and the
8 completion of a new selection form shall not be required when a
9 renewal, reinstatement, substitute, replacement, or amended policy
10 is issued to the same-named insured by the same insurer or any of
11 its affiliates. Any changes to an existing policy, regardless of
12 whether these changes create new coverage, do not create a new
13 policy and do not require the completion of a new form.

14 After selection of limits, rejection, or exercise of the option
15 not to purchase uninsured motorist coverage by a named insured or
16 applicant for insurance, the insurer shall not be required to notify
17 any insured in any renewal, reinstatement, substitute, amended or
18 replacement policy as to the availability of such uninsured motorist
19 coverage or such optional limits. Such selection, rejection, or
20 exercise of the option not to purchase uninsured motorist coverage
21 by a named insured or an applicant shall be valid for all insureds
22 under the policy and shall continue until a named insured requests
23 in writing that the uninsured motorist coverage be added to an
24 existing or future policy of insurance.

1 H. The following are effective on forms required on or after
2 April 1, 2005. The offer of the coverage required by subsection B
3 of this section shall be in the following form which shall be filed
4 with and approved by the Insurance Commissioner. The form shall be
5 provided to the proposed insured in writing separately from the
6 application and shall read substantially as follows:

7 OKLAHOMA UNINSURED MOTORIST COVERAGE LAW

8 Oklahoma law gives you the right to buy Uninsured Motorist
9 coverage in the same amount as your bodily injury liability
10 coverage. THE LAW REQUIRES US TO ADVISE YOU OF THIS VALUABLE RIGHT
11 FOR THE PROTECTION OF YOU, MEMBERS OF YOUR FAMILY, AND OTHER PEOPLE
12 WHO MAY BE HURT WHILE RIDING IN YOUR INSURED VEHICLE. YOU SHOULD
13 SERIOUSLY CONSIDER BUYING THIS COVERAGE IN THE SAME AMOUNT AS YOUR
14 LIABILITY INSURANCE COVERAGE LIMIT.

15 Uninsured Motorist coverage, unless otherwise provided in your
16 policy, pays for bodily injury damages to you, members of your
17 family who live with you, and other people riding in your car who
18 are injured by: (1) an uninsured motorist, (2) a hit-and-run
19 motorist, or (3) an insured motorist who does not have enough
20 liability insurance to pay for bodily injury damages to any insured
21 person. Uninsured Motorist coverage, unless otherwise provided in
22 your policy, protects you and family members who live with you while
23 riding in any vehicle or while a pedestrian. THE COST OF THIS
24 COVERAGE IS SMALL COMPARED WITH THE BENEFITS!

You may make one of four choices about Uninsured Motorist Coverage by indicating below what Uninsured Motorist coverage you want:

_____ I want the same amount of Uninsured Motorist coverage as my bodily injury liability coverage.

_____ I want minimum Uninsured Motorist coverage \$25,000.00 per person/\$50,000.00 per occurrence.

I want Uninsured Motorist coverage in the following amount:

\$_____ per person/\$_____ per occurrence.

I want to reject Uninsured Motorist coverage.

Proposed	Insured
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
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99	99
100	100

THIS FORM IS NOT A PART OF YOUR POLICY AND DOES NOT PROVIDE
COVERAGE.

I. The Insurance Commissioner shall approve a deviation from the form described in subsection H of this section if the form includes substantially the same information.

J. A change in the bodily injury liability coverage due to a change in the amount or limits prescribed for bodily injury or death by a policy meeting the requirements of Section 7-204 of Title 47 of the Oklahoma Statutes shall not be considered an amendment of the bodily injury liability coverage and shall not require the completion of a new form.

1 K. On the first renewal on or after April 1, 2005, the insurer
2 shall change the Uninsured Motorist coverage limits to \$25,000.00
3 per person/\$50,000.00 per occurrence and charge the corresponding
4 premium for existing policyholders who have selected Uninsured
5 Motorist coverage limits less than \$25,000.00 per person/\$50,000.00
6 per occurrence. At the first renewal on or after April 1, 2005, the
7 insurer shall provide existing policyholders who have selected
8 Uninsured Motorist coverage limits less than \$25,000.00 per
9 person/\$50,000.00 per occurrence a notice of the change of their
10 Uninsured Motorist coverage limits and that notice shall state how
11 such policyholders may reject Uninsured Motorist coverage limits or
12 select Uninsured Motorist coverage with limits higher than
13 \$25,000.00 per person/\$50,000.00 per occurrence. No notice shall be
14 required to existing policyholders who have rejected Uninsured
15 Motorist coverage or have selected Uninsured Motorist coverage
16 limits equal to or greater than \$25,000.00 per person/\$50,000.00 per
17 occurrence. For purposes of this subsection an existing
18 policyholder is a policyholder who purchased a policy from the
19 insurer before April 1, 2005, and such policy renews on or after
20 April 1, 2005.

21 SECTION 2. This act shall become effective November 1, 2013.

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