

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 371

By: Quinn of the Senate

and

6 Coody of the House

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10 COMMITTEE SUBSTITUTE

11 An Act relating to fire insurance; amending 36 O.S.
12 2011, Section 4809, which relates to reduced rates to
13 persons failing or refusing to pay assessments;
14 modifying certain unlawful act; and providing an
15 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~~ renew such a policy on any risk located in a rural fire
14 protection district or in any area protected by a rural fire
15 department at any special or reduced rate or with any rate credit
16 based on location of the risk in the district or area without having
17 first obtained from the insured or from the rural fire protection
18 district or rural fire department evidence that current dues or
19 subscription payments, if any, for the property to be insured have
20 been paid. The evidence required by the insurer may be a receipt,
21 canceled check, or other valid proof of payment.

22 D. If any agent is found by the Insurance Commissioner to have
23 violated the provisions of this subsection, the agent shall be
24 liable for an administrative penalty of Twenty-five Dollars (\$25.00)

1 for the first violation and Fifty Dollars (\$50.00) for any
2 subsequent violation.

3 SECTION 2. This act shall become effective November 1, 2017.

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