

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 495

By: Sparks of the Senate

and

Coody of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to fire insurance; amending 36 O.S.
11 2011, Section 4809, which relates to reduced
12 insurance rates; providing certain exception;
13 removing certain prohibition on rewriting insurance
14 policies; requiring insurers to obtain evidence of
15 certain payment annually; and providing an effective
16 date.

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

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

20 Section 4809. A. ~~No~~ Except as otherwise provided in this
21 subsection, no property or casualty insurance company shall give any
22 special or reduced rate for fire insurance on any risk because it is
23 located in a rural fire protection district or in an area protected
24 by a rural fire department in which the district or department is
wholly or partially funded by dues or subscription payments paid by

1 owners of property who are members of an association supporting the
2 rural fire department to any person who fails or refuses to pay the
3 appropriate dues or subscription payments for support of the
4 district or department pursuant to the procedure outlined in
5 subsection C of this section. Property and casualty insurance
6 companies providing a fire run service benefit payment within the
7 fire insurance policy shall not be subject to this subsection.

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

14 C. It is unlawful for any insurance agent or company to
15 knowingly write an initial policy of fire insurance coverage ~~or to~~
16 ~~rewrite such a policy~~ on any risk located in a rural fire protection
17 district or in any area protected by a rural fire department at any
18 special or reduced rate or with any rate credit based on location of
19 the risk in the district or area without having first obtained from
20 the insured or from the rural fire protection district or rural fire
21 department evidence that current dues or subscription payments, if
22 any, for the property to be insured have been paid. Following the
23 writing of the initial policy, the insurance agent or company shall
24 obtain evidence of successful payment of current dues or

1 subscription payments annually. The evidence required by the
2 insurer may be a receipt, canceled check, or other valid proof of
3 payment.

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

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

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