SENATE BILL NO. 670   By: Brown

An Act relating to property insurance; amending 36 O.S. 2011, Section 4804, which relates to policy limitations and liability; prohibiting certain companies from issuing fire insurance beyond total replacement cost of a property; and providing an effective date.

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

SECTION 1.   AMENDATORY   36 O.S. 2011, Section 4804, is amended to read as follows:

Section 4804. ~~No~~ **Except as provided herein, no** insurance company shall, knowingly, issue any fire insurance policy upon property within this state for an amount which, ~~with any existing insurance thereon,~~ exceeds the ~~fair value~~ replacement cost of the property. If buildings insured against loss by fire, and situated within this state, are totally destroyed by fire, the company shall not be liable beyond the ~~actual value~~ replacement cost of the insured property at the time of the loss or damage, and if it shall appear that the insured has paid premiums on an amount in excess of ~~said actual value~~ the replacement cost, the ~~assured~~ insured shall be reimbursed the proportionate excess of premiums paid on the

1 difference between the ~~amount named in the policy and said actual~~

2 ~~value~~ limit identified on the declaration page of the policy or

3 renewal certificate and the replacement cost, with interest at six

4 percent (6%) per annum from the date ~~of issue~~ the amount named in

5 the policy exceeded the estimated replacement value of the property,

6 as adjusted for inflation and cost increases, up until the time of

7 total loss by fire. This section shall not be applicable where the

8 insured voluntarily insures the property in excess of the estimated

9 replacement value.

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

11 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
    February 13, 2017 - DO PASS AS AMENDED

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