By: Tedford of the House

and

Pemberton of the Senate

An Act relating to insurance; amending 36 O.S. 2021, Section 3639.1, which relates to cancellation, refusal to renew or increase premium of homeowner's insurance policy; prohibiting certain terminations; prohibiting certain actions by insurers for claims occurring more than five years before policy effective date or renewal; directing that insurers shall not refuse underwriting risk for homeowner's insurance in certain cases; prohibiting certain actions by insurers for certain claims; providing exceptions; directing that insurers may only consider at-fault motor vehicle claims history in provided time frame; and providing an effective date.

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

SECTION 1.   AMENDATORY   36 O.S. 2021, Section 3639.1, is

amended to read as follows:

Section 3639.1 A. No insurer shall cancel, refuse to renew <u>or</u>

<u>otherwise terminate,</u> or increase the premium of a homeowner's

insurance policy or any other personal residential insurance

coverage, which has been in effect more than forty-five (45) days,

solely because the insured filed a first claim against the policy.

1   B. No insurer shall cancel, refuse to renew or otherwise

2 terminate, or increase the premium of a homeowner's insurance policy

3 or any other personal residential insurance coverage, including, but

4 not limited to, flood insurance, because of a claim that occurred

5 more than five (5) years before the effective date of the policy or

6 renewal. No insurer shall refuse to underwrite risk for a

7 homeowner's insurance policy or any other personal residential

8 insurance coverage, including, but not limited to, flood insurance,

9 because of a claim that occurred more than five (5) years before the

10 date of application.

11   C. No insurer shall cancel, refuse to renew or otherwise

12 terminate, or increase the premium of a homeowner's insurance policy

13 or any other personal residential insurance coverage, including, but

14 not limited to, flood insurance, based on the claims history of an

15 insured for weather-related claims, unless there were three or more

16 weather-related claims within the preceding three-year period. This

17 subsection shall not apply to claims for weather-related events for

18 which the insurer provided written notice to the insured for

19 reasonable or customary repairs or replacement specific to the

20 insured's premises or dwelling which the insured failed to make and

21 which, if made, would have prevented the loss for which a claim was

22 made.

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1   D. The provisions of this section shall not be construed to

2   prevent the cancellation, nonrenewal or increase in premium of a

3   homeowner's insurance policy for the following reasons:

4   1. Nonpayment of premium;

5   2. Discovery of fraud or material misrepresentation in the

6   procurement of the insurance or with respect to any claims submitted

7   thereunder;

8   3. Discovery of willful or reckless acts or omissions on the

9   part of the named insured which increase any hazard insured against;

10   4. A change in the risk which substantially increases any

11   hazard insured against after insurance coverage has been issued or

12   renewed;

13   5. Violation of any local fire, health, safety, building, or

14   construction regulation or ordinance with respect to any insured

15   property or the occupancy thereof which substantially increases any

16   hazard insured against;

17   6. A determination by the Insurance Commissioner that the

18   continuation of the policy would place the insurer in violation of

19   the insurance laws of this state; or

20   7. Conviction of the named insured of a crime having as one of

21   its necessary elements an act increasing any hazard insured against.

22   B. E. An insurer shall give to the named insured at the mailing

23   address shown on a homeowner's policy, a written renewal notice that

24   shall include new premium, new deductible, new limits or coverage at

least thirty (30) days prior to the expiration date of the policy. If the insurer fails to provide such notice, the premium, deductible, limits and coverage provided to the named insurer prior to the change shall remain in effect until notice is given or until the effective date of replacement coverage obtained by the named insured, whichever occurs first. If notice is given by mail, the notice shall be deemed to have been given on the day the notice is mailed. If the insured elects not to renew, any earned premium for the period of extension of the terminated policy shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, the premium increase, if any, and other changes shall be effective the day following the prior policy's expiration or anniversary date.

C. F. In the event an insured cancels a homeowner's insurance policy or any other personal residential insurance coverage, written notice shall be provided by the insured to the insurer that provided the coverage being canceled. The notice of cancellation shall provide the date of the cancellation of the policy and the insurer shall reimburse the insured for any premiums paid for coverage beyond the date of cancellation of the policy.

D. G. An insurer canceling a policy under subsection C F of this section shall not be liable for claims arising after the date of cancellation.

1   H.   An insurer may only consider the applicant's at-fault motor

2   vehicle claims history during the preceding three (3) years when

3   rating a homeowner's insurance policy or any other personal

4   residential insurance coverage.

5   SECTION 2.   This act shall become effective November 1, 2024.

6   Passed the House of Representatives the 11th day of March, 2024.

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8   _____
                                     Presiding Officer of the House
9   of Representatives

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11   Passed the Senate the _____ day of _____, 2024.

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                                     Presiding Officer of the Senate
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