

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1556

By: Garvin

AS INTRODUCED

An Act relating to homeowner's insurance; amending 36 O.S. 2021, Section 3639.1, which relates to termination or premium increase of a homeowner's policy; prohibiting cancellation, refusal to renew, or increases in premium due to certain causes; updating statutory language; 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, 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, has filed a claim arising from a weather-related catastrophe, or a major natural disaster as declared by the Governor, or has a history of claims arising from such causes. The provisions of this section shall not be construed to prevent the cancellation, nonrenewal, or increase in premium of a homeowner's insurance policy for the following reasons:

1. Nonpayment of premium;

1           2. Discovery of fraud or material misrepresentation in the  
2 procurement of the insurance or with respect to any claims submitted  
3 thereunder;

4           3. Discovery of willful or reckless acts or omissions on the  
5 part of the named insured which increase any hazard insured against;

6           4. A change in the risk which substantially increases any  
7 hazard insured against after insurance coverage has been issued or  
8 renewed;

9           5. Violation of any local fire, health, safety, building, or  
10 construction regulation or ordinance with respect to any insured  
11 property or the occupancy thereof which substantially increases any  
12 hazard insured against;

13           6. A determination by the Insurance Commissioner that the  
14 continuation of the policy would place the insurer in violation of  
15 the insurance laws of this state; or

16           7. Conviction of the named insured of a crime having as one of  
17 its necessary elements an act increasing any hazard insured against.

18           B. An insurer shall give to the named insured at the mailing  
19 address shown on a homeowner's policy, a written renewal notice that  
20 shall include the new premium, new deductible, new limits or  
21 coverage at least thirty (30) days prior to the expiration date of  
22 the policy. If the insurer fails to provide such notice, the  
23 premium, deductible, limits and coverage provided to the named  
24 insurer prior to the change shall remain in effect until notice is

1 given or until the effective date of replacement coverage obtained  
2 by the named insured, whichever occurs first. If notice is given by  
3 mail, the notice shall be deemed to have been given on the day the  
4 notice is mailed. If the insured elects not to renew, any earned  
5 premium for the period of extension of the terminated policy shall  
6 be calculated pro rata at the lower of the current or previous  
7 year's rate. If the insured accepts the renewal, the premium  
8 increase, if any, and other changes shall be effective the day  
9 following the prior policy's expiration or anniversary date.

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

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

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