

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3092

By: Tedford

AS INTRODUCED

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 or otherwise terminate, 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 homeowner's  
7 insurance policy or any other personal residential insurance  
8 coverage, including but not limited to flood insurance, because of a  
9 claim that occurred more than five (5) years before the date of  
10 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 (3) or  
16 more weather-related claims within the preceding three (3) year  
17 period. This subsection shall not apply to claims for weather-  
18 related events for which the insurer provided written notice to the  
19 insured for a reasonable or customary repairs or replacement  
20 specific to the insured's premises or dwelling which the insured  
21 failed to make and which, if made, would have prevented the loss for  
22 which a claim was made.

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

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

21 ~~Đ~~ G. An insurer canceling a policy under subsection ~~€~~ F of  
22 this section shall not be liable for claims arising after the date  
23 of cancellation.  
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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.

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