

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1592

By: Rosino

AS INTRODUCED

An Act relating to homeowners insurance; amending 36 O.S. 2021, Sections 985, 987, 989, 994, and 995, as amended by Section 1, Chapter 304, O.S.L. 2022 (36 O.S. Supp. 2025, Section 995), which relate to ratemaking standards, rate filings, improper rates, and the Property and Casualty Competitive Loss Cost Rating Act; allowing certain rates to be determined to be excessive; allowing certain rates to be considered based on certain criteria; requiring every insurer to file with the Insurance Commissioner all rates and supplementary rate information within a certain time period prior to the effective date of the rate; allowing Commissioner to give written notice to certain insurer within a certain time period for additional time; updating statutory reference; requiring Commissioner to disapprove certain rates; allowing Commissioner to hold certain hearing for certain rate disapproval; increasing certain time frame for certain advisory organization to file certain information; requiring certain Commissioner to issue certain written order; requiring certain written notice to certain insured for cancellation or nonrenewal by an insurer within a certain time period; amending 36 O.S. 2021, Section 3639.1, which relates to cancellation, refusal to renew, or increase premium of homeowner's insurance policy; requiring certain written notice for cancellation or nonrenewal due to nonpayment within certain time period; requiring certain notice to be delivered or mailed to certain insured; prohibiting certain notice to be effective unless delivered or mailed; requiring certain cause to be included in certain notice; 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 985, is amended to read as follows:

Section 985. ~~Rate-making Standards.~~

A. A rate may not be excessive, inadequate or unfairly discriminatory.

1. ~~No rate in a competitive market may be determined to be excessive.~~ A rate in a noncompetitive market may be determined to be excessive if it is likely to produce a profit that is unreasonably high for the insurance provided or is unreasonably high in relation to the services rendered.

2. A rate may not be determined to be inadequate unless:

- a. the rate is clearly insufficient to sustain projected losses, expenses and special assessments, and
- b. the rate is unreasonably low and use of the rate by the insurer has tended or, if continued, will tend to create a monopoly in the market.

3. Unfair discrimination may be determined to exist if, after allowing for practical limitations, price differentials fail to reflect equitably the differences in expected losses and expenses. A rate may not be determined to be unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense levels, or like expenses but different loss

1 exposures, or if it averaged broadly among persons insured within a
2 group, franchise or blanket policy or a mass-marketed plan. No rate
3 in a competitive market shall be considered unfairly discriminatory
4 unless it classifies risk on the basis of race, color, creed, ~~or~~
5 national origin, or religion.

6 B. In determining whether rates ~~in a noncompetitive market~~ are
7 excessive, inadequate, or unfairly discriminatory, due consideration
8 may be given to:

9 1. Past and prospective loss experience within and outside this
10 state, in accordance with accepted actuarial principles;

11 2. Conflagration and catastrophe hazards;

12 3. A reasonable margin for underwriting profit and
13 contingencies;

14 4. Loadings for leveling premium rates over time for dividends,
15 savings or unabsorbed premium deposits allowed or returned by
16 insurers to their policyholders, members or subscribers;

17 5. Past and prospective expenses both countrywide and those
18 specially applicable to this state; and

19 6. Provisions for special assessments; and to all other
20 relevant factors including judgment within and outside this state.

21 C. Risks may be grouped by classifications for the
22 establishment of rates and minimum premiums. Classification rates
23 may be modified to produce rates for individual risks in accordance
24 with rating plans which establish standards for measuring variations

1 in hazards or expense provisions, or both. Such standards may
2 measure any differences among risks that can be demonstrated to have
3 a probable effect upon losses or expenses. No risk classification,
4 however, may be based on race, creed, national origin, or the
5 religion of the insured.

6 D. The expense provisions included in the rates for use by an
7 insurer or group of insurers may differ from those of any other
8 insurer or group of insurers to reflect the requirements of the
9 operating methods of the insurer or group of insurers.

10 E. The rates may contain provision for contingencies and an
11 allowance permitting a reasonable profit. In determining the
12 reasonableness of the profit, consideration shall be given to the
13 investment income attributable to the line of insurance.

14 F. Risks may be classified in any way except that no risk may
15 be classified on the basis of race, color, creed, ~~or~~ national
16 origin, or religion.

17 SECTION 2. AMENDATORY 36 O.S. 2021, Section 987, is
18 amended to read as follows:

19 Section 987. ~~Rate Filings.~~

20 A. ~~In a competitive market, every~~ Every insurer shall file with
21 the Insurance Commissioner all rates and supplementary rate
22 information to be used in this state ~~no later than thirty (30) days~~
23 ~~after~~ at least sixty (60) calendar days prior to the effective date;
24 provided, that the rates and supplementary rate information need not

1 be filed for commercial risks, which by general custom are not
2 written according to manual rules or rating plans.

3 ~~B. In a noncompetitive market, every insurer shall file with~~
4 ~~the Commissioner all rates, supplementary rate information and~~
5 ~~supporting information at least thirty (30) days before the proposed~~
6 ~~effective date.~~ The Commissioner may give written notice, within
7 ~~thirty (30)~~ sixty (60) days of receipt of the filing, that the
8 Commissioner needs additional time, not to exceed ~~thirty (30)~~ sixty
9 (60) days from the date of the notice to consider the filing. Upon
10 written application of the insurer, the Commissioner may authorize
11 rates to be effective before the expiration of the waiting period or
12 an extension thereof. A filing shall be deemed to meet the
13 requirements of the Property and Casualty Competitive Loss Cost
14 Rating Act and to become effective unless disapproved pursuant to
15 this title by the Commissioner before the expiration of the waiting
16 period or an extension thereof.

17 In a noncompetitive market, the filing shall be deemed in
18 compliance with the filing provision of this section unless the
19 Commissioner informs the insurer within ten (10) days after receipt
20 of the filings as to what supplementary rate information or
21 supporting information is required to complete the filing.

22 ~~C.~~ B. Every authorized insurer shall file with the
23 Commissioner, except as to rates for those lines of insurance
24 exempted from the provisions of the Property and Casualty

1 Competitive Loss Cost Rating Act by the Commissioner under
2 subsections ~~E~~ D and ~~F~~ E of this section and except for those risks
3 designated as special risks under Section 997 of this title, all
4 rates, supplementary rate information and any changes and amendments
5 which it proposes to use. An insurer may file its rates by either
6 filing its final rates or by filing a multiplier and, if applicable,
7 an expense constant adjustment to be applied to prospective loss
8 costs that have been filed by an advisory organization as permitted
9 by this title. Such loss cost multiplier filing and expense
10 constant filings made by insurers shall remain in effect until
11 amended or withdrawn by the insurer. Every filing shall state the
12 effective date.

13 ~~D.~~ C. Under rules as may be adopted, the Commissioner may, by
14 written order, suspend or modify the requirement of filing as to any
15 kind of insurance, subdivision or combination thereof, or as to
16 classes of risks.

17 ~~E.~~ D. Notwithstanding any other provision of the Property and
18 Casualty Competitive Loss Cost Rating Act, upon the written consent
19 of the insured in a separate written document, a rate in excess of
20 that determined in accordance with the other provisions of the
21 Property and Casualty Competitive Loss Cost Rating Act may be used
22 on a specific risk.

23 ~~F.~~ E. A filing and any supporting information required to be
24 filed shall be open to public inspection once the filing becomes
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1 effective except information marked confidential, trade secret, or
2 proprietary by the insurer or filer and except the filings of an
3 advisory organization which shall be open to public inspection upon
4 the received date of the rate, loss cost, or manual rule change.
5 The insurer or filer shall have the burden of asserting to the
6 Commissioner that a filing and supporting information are
7 confidential, upon the request of the Commissioner. The
8 Commissioner may disapprove of the insurer's request for
9 confidential filing status.

10 SECTION 3. AMENDATORY 36 O.S. 2021, Section 989, is
11 amended to read as follows:

12 Section 989. ~~Improper Rates; Disapproval; Hearing.~~

13 A. ~~Basis for disapproval.~~

14 ~~1. The Insurance Commissioner shall disapprove a rate in a~~
15 ~~competitive market only if the Commissioner finds, pursuant to~~
16 ~~subsection B of this section, that the rate is excessive,~~
17 ~~inadequate, or unfairly discriminatory pursuant to Section 985 of~~
18 ~~this title.~~

19 ~~2. The Commissioner may disapprove a rate for use in a~~
20 ~~noncompetitive market only if the Commissioner finds, pursuant to~~
21 ~~subsection B of this section, that the rate is excessive, inadequate~~
22 ~~or unfairly discriminatory under this subsection.~~

23 B. ~~Procedures for disapproval.~~

1 1. Prior to the expiration of a waiting period or an extension
2 thereof, made pursuant to subsection B of Section 987 of this title,
3 the Commissioner may disapprove, by written order, rates filed
4 pursuant to subsection B of Section 987 of this title with a
5 hearing. The order shall specify in what respects the filing fails
6 to meet the requirements of this act. Any insurer whose rates are
7 disapproved pursuant to this section shall be given a hearing upon
8 written request made within thirty (30) days of disapproval.

9 2. If, at any time, the Commissioner finds that a rate
10 applicable to insurance ~~sold in a noncompetitive market~~ does not
11 comply with the standards set forth in Section 985 of this title,
12 the Commissioner may, after a hearing held upon not less than twenty
13 (20) days' written notice, issue an order ~~pursuant to subsection C~~
14 ~~of this section,~~ disapproving such rate. The hearing notice shall
15 be sent to every insurer and advisory organization that adopted the
16 rate and shall specify the matters to be considered at the hearing.
17 The disapproval order shall not affect any contract or policy made
18 or issued prior to the effective date set forth in the order.

19 ~~3. If, at any time, the Commissioner finds that a rate~~
20 ~~applicable to insurance sold in a competitive market is inadequate~~
21 ~~or unfairly discriminatory under paragraph 2 or 3 of subsection A of~~
22 ~~Section 985 of this title, the Commissioner may issue an order~~
23 ~~pursuant to subsection C of this section disapproving the rate. The~~
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1 ~~order shall not affect any contract or policy made or issued prior~~
2 ~~to the effective date set forth in the order.~~

3 C. ~~Order of disapproval.~~

4 ~~If the Commissioner disapproves a rate pursuant to subsection B~~
5 ~~of this section, the Commissioner shall issue an order within thirty~~
6 ~~(30) days of the close of the hearing specifying in what respects~~
7 ~~the rate fails to meet the requirements of this act. The order~~
8 ~~shall state an effective date no sooner than thirty (30) business~~
9 ~~days after the date of the order when the use of the rate shall be~~
10 ~~discontinued. This order shall not affect any policy made before~~
11 ~~the effective date of the order.~~

12 D. ~~Appeal of orders and establishment of reserves.~~

13 If an order of disapproval is appealed pursuant to Section 990
14 of this title, the insurer may implement the disapproved rate upon
15 notification to the court, in which case any excess of the
16 disapproved rate over a rate previously in effect shall be placed in
17 a reserve established by the insurer. The court shall have control
18 over the disbursement of funds from such reserve. The funds shall
19 be distributed as determined by the court in its final order except
20 that de minimus refunds to policyholders shall not be required.

21 ~~E.~~ D. All determinations made by the Commissioner under this
22 section shall be on the basis of findings of fact and conclusions of
23 law.

SECTION 4. AMENDATORY 36 O.S. 2021, Section 994, is amended to read as follows:

Section 994. ~~Advisory Organizations; Filing Requirements.~~

Every advisory organization shall file with the Insurance Commissioner for approval every statistical plan, all prospective loss costs, provisions for special assessments and all supplementary rating information and every change or amendment or modification of any of the foregoing proposed for use in this state at least ~~thirty~~ sixty (60) days prior to its effective date. Such filings will be deemed approved unless disapproved within the waiting period.

SECTION 5. AMENDATORY 36 O.S. 2021, Section 995, as amended by Section 1, Chapter 304, O.S.L. 2022 (36 O.S. Supp. 2025, Section 995), is amended to read as follows:

Section 995. ~~Joint Underwriting, Joint Reinsurance Pool and Residual Market Activities.~~

A. Notwithstanding paragraph 3 of subsection A of Section 992 of this title, insurers participating in joint underwriting, joint reinsurance pools or residual market mechanisms may in connection with such activity act in cooperation with each other in the making of rates, rating systems, policy forms, underwriting rules, surveys, inspections and investigations, the furnishing of loss and expense statistics or other information, or carrying on research. Joint underwriting, joint reinsurance pools and residual market mechanisms shall not be deemed an advisory organization.

1 B. Except to the extent modified by this section, joint
2 underwriting, joint reinsurance pool and residual market mechanism
3 activities are subject to the other provisions of the Property and
4 Casualty Competitive Loss Cost Rating Act.

5 C. If, after a hearing, the Insurance Commissioner finds that
6 any activity or practice of an insurer participating in joint
7 underwriting or a pool is unfair, is unreasonable, will tend to
8 lessen competition in any market or is otherwise inconsistent with
9 the provisions or purposes of the Property and Casualty Competitive
10 Loss Cost Rating Act, the Commissioner ~~may~~ shall issue a written
11 order and require the discontinuance of such activity or practice.

12 D. Every pool shall file with the Commissioner a copy of its
13 constitution, articles of incorporation, agreement or association,
14 bylaws, rules and regulations governing its activities, list of
15 members, the name and address of a resident of this state upon whom
16 notice, orders of the Commissioner, or process may be served, and
17 any changes in amendments or changes in the foregoing.

18 E. Any residual market mechanism, plan or agreement to
19 implement such a mechanism, and any changes or amendments thereto,
20 shall be submitted in writing to the Commissioner for consideration
21 and approval, together with such information as may be reasonably
22 required.

23 SECTION 6. AMENDATORY 36 O.S. 2021, Section 3639.1, is
24 amended to read as follows:

1 Section 3639.1. A. No insurer shall cancel, refuse to renew or
2 increase the premium of a homeowner's insurance policy or any other
3 personal residential insurance coverage, which has been in effect
4 more than forty-five (45) days, solely because the insured filed a
5 first claim against the policy. The provisions of this section
6 shall not be construed to prevent the cancellation, nonrenewal or
7 increase in premium of a homeowner's insurance policy for the
8 following reasons:

9 1. Nonpayment of premium;

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

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

15 4. A change in the risk which substantially increases any
16 hazard insured against after insurance coverage has been issued or
17 renewed;

18 5. Violation of any local fire, health, safety, building, or
19 construction regulation or ordinance with respect to any insured
20 property or the occupancy thereof which substantially increases any
21 hazard insured against;

22 6. A determination by the Insurance Commissioner that the
23 continuation of the policy would place the insurer in violation of
24 the insurance laws of this state; or

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

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

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

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

6 E. In the event of cancellation or nonrenewal by an insurer of
7 an insured homeowner's insurance policy or any other personal
8 residential insurance coverage, written notice shall be provided by
9 the insurer to the insured at least sixty (60) days prior to the
10 effective date of the cancellation or nonrenewal. In the case of
11 cancellation or nonrenewal due to nonpayment of premium, the insurer
12 shall provide written notice to the insured at least ten (10) days
13 prior to the effective date of the cancellation or nonrenewal.
14 Written notice of such cancellation or nonrenewal shall be delivered
15 or mailed to the insured or to his or her representative in charge
16 of the subject of the insurance. Notice of cancellation or
17 nonrenewal shall not be effective unless delivered or mailed by the
18 insurer to the insured or to his or her representative in charge of
19 the subject of the insurance. The insurer shall provide in the
20 notice the cause for cancellation or nonrenewal.

21 SECTION 7. This act shall become effective November 1, 2026.
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