

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

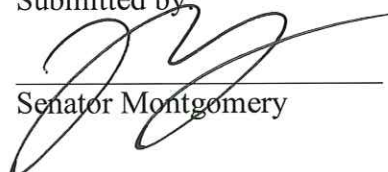
No. 1

COMMITTEE AMENDMENT

(Date)

I move to amend Senate Bill No. 554 by the attached floor substitute (Request No. 1954) for the title, enacting clause, and entire body of the measure.

Submitted by:



Senator Montgomery

I hereby grant permission for the floor substitute to be adopted.



Senator Montgomery, Chair (required)

Senator Jett

Senator Brooks



Senator Coleman



Senator Dugger

Senator Treat, President Pro Tempore



Senator Garvin



Senator Hamilton



Senator Matthews

Senator Prieto



Senator Woods

Senator McCortney, Majority Floor Leader

Note: Retirement and Insurance committee majority requires six (6) members' signatures.

Montgomery-RD-FS-SB554
2/27/2023 8:56 AM

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(Floor Amendments Only)

Date and Time Filed: 3-1-23 9:14 am *jd*

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 554

6 By: Montgomery of the Senate

7 and

8 Sneed of the House

9 FLOOR SUBSTITUTE

10 An Act relating to insurance; amending 36 O.S. 2021,
11 Section 3636, which relates to uninsured motorist
12 coverage; requiring certain policies offer coverage
13 for certain injury to or destruction of property
14 subject to certain limits and requirements;
15 prohibiting coverage from being offered independently
16 from certain coverage requirements; modifying
17 coverage form to be provided to proposed insured;
18 conforming language; updating statutory language; and
19 providing an effective date.

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

21 SECTION 1. AMENDATORY 36 O.S. 2021, Section 3636, is
22 amended to read as follows:

23 Section 3636. A. No policy insuring against loss resulting
24 from liability imposed by law for bodily injury or death suffered by
any person arising out of the ownership, maintenance or use of a
motor vehicle shall be issued, delivered, renewed, or extended in
this state with respect to a motor vehicle registered or principally

1 garaged in this state unless the policy includes the coverage
2 described in subsection B of this section.

3 B. The policy referred to in subsection A of this section shall
4 provide coverage therein or supplemental thereto for the protection
5 of persons insured thereunder who are legally entitled to recover
6 damages from owners or operators of uninsured motor vehicles and
7 hit-and-run motor vehicles because of bodily injury, sickness or
8 disease, including death resulting therefrom. Coverage shall be not
9 less than the amounts or limits prescribed for bodily injury or
10 death for a policy meeting the requirements of Section 7-204 of
11 Title 47 of the Oklahoma Statutes, as the same may be hereafter
12 amended; provided, however, that increased limits of liability shall
13 be offered and purchased if desired, not to exceed the limits
14 provided in the policy of bodily injury liability of the insured.
15 Policies issued, renewed or reinstated after November 1, 2014, shall
16 not be subject to stacking or aggregation of limits unless expressly
17 provided for by an insurance carrier. The uninsured motorist
18 coverage shall be upon a form approved by the Insurance Commissioner
19 as otherwise provided in the Oklahoma Insurance Code and may provide
20 that the parties to the contract shall, upon demand of either,
21 submit their differences to arbitration; provided, that if agreement
22 by arbitration is not reached within three (3) months from date of
23 demand, the insured may sue the tort-feasor.

1 C. All policies referred to in subsection A of this section
2 that are issued or renewed on or after January 1, 2024, shall offer
3 coverage for the protection of property insured thereunder to
4 recover damages from owners or operators of uninsured motor vehicles
5 and hit-and-run motor vehicles because of the injury to or
6 destruction of property. Coverage shall not be less than the
7 amounts or limits prescribed for injury to or destruction of
8 property for a policy meeting the requirements of Section 7-204 of
9 Title 47 of the Oklahoma Statutes; provided, however, that increased
10 limits of liability shall be offered and purchased if desired, not
11 to exceed the limits provided in the policy of property damage of
12 the insured. A named insured or applicant may decline to purchase
13 coverage under this subsection.

14 D. A policy shall not provide the coverage described in
15 subsection C of this section without also offering the coverage
16 provided for in subsections A and B of this section.

17 E. An insurance company issuing uninsured motorist coverage for
18 property damage from hit-and-run vehicles may provide that:

19 1. Property damage losses recoverable thereunder shall be
20 limited to damages caused by the actual physical contact of an
21 uninsured motor vehicle with the insured motor vehicle;

22 2. There shall be no coverage for loss of use of the insured
23 motor vehicle and no coverage for loss or damage to personal
24 property located in the insured motor vehicle; and

1 3. Any claim submitted shall include the name and address of
2 the owner of the at-fault uninsured motor vehicle, or a registration
3 number and description of the vehicle, or any other available
4 information to establish that there is no applicable motor vehicle
5 property damage liability insurance.

6 F. For the purposes of this coverage the term "uninsured motor
7 vehicle" shall include an insured motor vehicle where the liability
8 insurer thereof is unable to make payment with respect to the legal
9 liability of its insured within the limits specified therein because
10 of insolvency. For the purposes of this coverage the term
11 ~~"uninsured motor vehicle"~~ uninsured motor vehicle shall also include
12 an insured motor vehicle, the liability limits of which are less
13 than the amount of the claim of the person or persons making such
14 claim, regardless of the amount of coverage of either of the parties
15 in relation to each other.

16 ~~D.~~ G. An insurer's insolvency protection shall be applicable
17 only to accidents occurring during a policy period in which its
18 insured's uninsured motorist coverage is in effect where the
19 liability insurer of the tort-feasor becomes insolvent within one
20 (1) year after such an accident. Nothing herein contained shall be
21 construed to prevent any insurer from according insolvency
22 protection under terms and conditions more favorable to its insured
23 than is provided hereunder.

1 ~~E.~~ H. For purposes of this section, there is no coverage for
2 any insured while occupying a motor vehicle owned by, or furnished
3 or available for the regular use of the named insured, a resident
4 spouse of the named insured, or a resident relative of the named
5 insured, if such motor vehicle is not insured by a motor vehicle
6 insurance policy.

7 ~~F.~~ I. In the event of payment to any person under the coverage
8 required by this section and subject to the terms and conditions of
9 such coverage, the insurer making such payment shall, to the extent
10 thereof, be entitled to the proceeds of any settlement or judgment
11 resulting from the exercise of any rights of recovery of such person
12 against any person or organization legally responsible for the
13 bodily injury for which such payment is made, including the proceeds
14 recoverable from the assets of the insolvent insurer. Provided,
15 however, with respect to payments made by reason of the coverage
16 described in subsection ~~G.~~ F. of this section, the insurer making such
17 payment shall not be entitled to any right of recovery against such
18 tort-feasor in excess of the proceeds recovered from the assets of
19 the insolvent insurer of ~~said~~ such tort-feasor. Provided further,
20 that any payment made by the insured tort-feasor shall not reduce or
21 be a credit against the total liability limits as provided in the
22 insured's own uninsured motorist coverage. Provided further, that
23 if a tentative agreement to settle for liability limits has been
24 reached with an insured tort-feasor, written notice shall be given

1 by certified mail to the uninsured motorist coverage insurer by its
2 insured. Such written notice shall include:

- 3 1. Written documentation of pecuniary losses incurred,
4 including copies of all medical bills; and
- 5 2. Written authorization or a court order to obtain reports
6 from all employers and medical providers. Within sixty (60) days of
7 receipt of this written notice, the uninsured motorist coverage
8 insurer may substitute its payment to the insured for the tentative
9 settlement amount. The uninsured motorist coverage insurer shall
10 then be entitled to the insured's right of recovery to the extent of
11 such payment and any settlement under the uninsured motorist
12 coverage. If the uninsured motorist coverage insurer fails to pay
13 the insured the amount of the tentative tort settlement within sixty
14 (60) days, the uninsured motorist coverage insurer has no right to
15 the proceeds of any settlement or judgment, as provided herein, for
16 any amount paid under the uninsured motorist coverage.

17 G. J. A named insured or applicant shall have the right to
18 reject uninsured motorist coverage in writing. The form signed by
19 the insured or applicant which initially rejects coverage or selects
20 lower limits shall remain valid for the life of the policy and the
21 completion of a new selection form shall not be required when a
22 renewal, reinstatement, substitute, replacement, or amended policy
23 is issued to the same-named insured by the same insurer or any of
24 its affiliates. Any changes to an existing policy, regardless of

1 whether these changes create new coverage, do not create a new
2 policy and do not require the completion of a new form.

3 After selection of limits, rejection, or exercise of the option
4 not to purchase uninsured motorist coverage by a named insured or
5 applicant for insurance, the insurer shall not be required to notify
6 any insured in any renewal, reinstatement, substitute, amended or
7 replacement policy as to the availability of such uninsured motorist
8 coverage or such optional limits. Such selection, rejection, or
9 exercise of the option not to purchase uninsured motorist coverage
10 by a named insured or an applicant shall be valid for all insureds
11 under the policy and shall continue until a named insured requests
12 in writing that the uninsured motorist coverage be added to an
13 existing or future policy of insurance.

14 ~~H. The following are effective on forms required on or after~~
15 ~~April 1, 2005. K. The offer of the coverage required by subsection~~
16 ~~subsections B and C of this section shall be in the following form~~
17 ~~which shall be filed with and a form approved by the Insurance~~
18 ~~Commissioner and provided to the proposed insured separately from~~
19 ~~the application. The form shall be provided to the proposed insured~~
20 ~~in writing separately from the application and shall read~~
21 ~~substantially as follows:~~

22 ~~OKLAHOMA UNINSURED MOTORIST COVERAGE LAW~~

23 ~~Oklahoma law gives you the right to buy Uninsured Motorist~~
24 ~~coverage in the same amount as your bodily injury liability~~

1 ~~coverage. THE LAW REQUIRES US TO ADVISE YOU OF THIS VALUABLE RIGHT~~
2 ~~FOR THE PROTECTION OF YOU, MEMBERS OF YOUR FAMILY, AND OTHER PEOPLE~~
3 ~~WHO MAY BE HURT WHILE RIDING IN YOUR INSURED VEHICLE. YOU SHOULD~~
4 ~~SERIOUSLY CONSIDER BUYING THIS COVERAGE IN THE SAME AMOUNT AS YOUR~~
5 ~~LIABILITY INSURANCE COVERAGE LIMIT.~~

6 ~~Uninsured Motorist coverage, unless otherwise provided in your~~
7 ~~policy, pays for bodily injury damages to you, members of your~~
8 ~~family who live with you, and other people riding in your car who~~
9 ~~are injured by: (1) an uninsured motorist, (2) a hit-and-run~~
10 ~~motorist, or (3) an insured motorist who does not have enough~~
11 ~~liability insurance to pay for bodily injury damages to any insured~~
12 ~~person. Uninsured Motorist coverage, unless otherwise provided in~~
13 ~~your policy, protects you and family members who live with you while~~
14 ~~riding in any vehicle or while a pedestrian. THE COST OF THIS~~
15 ~~COVERAGE IS SMALL COMPARED WITH THE BENEFITS!~~

16 ~~You may make one of four choices about Uninsured Motorist~~
17 ~~Coverage by indicating below what Uninsured Motorist coverage you~~
18 ~~want:~~

19 ~~_____ I want the same amount of Uninsured Motorist coverage as my~~
20 ~~bodily injury liability coverage.~~

21 ~~_____ I want minimum Uninsured Motorist coverage \$25,000.00 per~~
22 ~~person/\$50,000.00 per occurrence.~~

23 ~~_____ I want Uninsured Motorist coverage in the following amount:~~
24 ~~\$_____ per person/\$_____ per occurrence.~~

~~I want to reject Uninsured Motorist coverage.~~

~~Proposed Insured~~

~~THIS FORM IS NOT A PART OF YOUR POLICY AND DOES NOT PROVIDE
COVERAGE.~~

~~I. L.~~ The Insurance Commissioner shall approve a deviation from the form described in subsection ~~H~~ J of this section if the form includes substantially the same information.

~~J. M.~~ A change in the bodily injury liability coverage due to a change in the amount or limits prescribed for bodily injury or death by a policy meeting the requirements of Section 7-204 of Title 47 of the Oklahoma Statutes shall not be considered an amendment of the bodily injury liability coverage and shall not require the completion of a new form.

~~K. N.~~ On the first renewal on or after April 1, 2005, the insurer shall change the Uninsured Motorist coverage limits to \$25,000.00 per person/\$50,000.00 per occurrence and charge the corresponding premium for existing policyholders who have selected Uninsured Motorist coverage limits less than \$25,000.00 per person/\$50,000.00 per occurrence. At the first renewal on or after April 1, 2005, the insurer shall provide existing policyholders who have selected Uninsured Motorist coverage limits less than \$25,000.00 per person/\$50,000.00 per occurrence a notice of the change of their Uninsured Motorist coverage limits and that notice

1 shall state how such policyholders may reject Uninsured Motorist
2 coverage limits or select Uninsured Motorist coverage with limits
3 higher than \$25,000.00 per person/\$50,000.00 per occurrence. No
4 notice shall be required to existing policyholders who have rejected
5 Uninsured Motorist coverage or have selected Uninsured Motorist
6 coverage limits equal to or greater than \$25,000.00 per
7 person/\$50,000.00 per occurrence. For purposes of this subsection
8 an existing policyholder is a policyholder who purchased a policy
9 from the insurer before April 1, 2005, and such policy renews on or
10 after April 1, 2005.

11 SECTION 2. This act shall become effective January 1, 2024.

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13 59-1-1954 RD 3/1/2023 10:02:14 AM

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