



INSURANCE COMMISSIONER
State of Oklahoma

BULLETIN NO. PC 2016-05(b)

**TO: ALL PROPERTY AND CASUALTY INSURERS LICENSED IN OKLAHOMA,
ALL RATING AND ADVISORY ORGANIZATIONS, ATTENTION: STATE FILING**

FROM: OKLAHOMA INSURANCE DEPARTMENT

RE: FIRE INSURANCE – COMPLIANCE WITH TITLE 36 O. S. § 4809

DATE: July 19, 2016

PURPOSE OF THIS BULLETIN - Clarification of statutory requirement.

On June 21, 2016, the Department issued Bulletin PC 2016 – 05. The purpose of that Bulletin was to remind insurers and producers of their responsibilities under 36 O.S. § 4809. The statute provides in relevant part:

C. It is unlawful for any insurance agent or company to knowingly write an initial policy of fire insurance coverage or to rewrite such a policy on any risk ...protected by a rural fire department ...with any rate credit based on location of the risk ...without having first obtained from the insured or from the rural fire protection district or rural fire department evidence that current dues or subscription payments, if any, for the property to be insured have been paid.

As stated in Bulletin PC 2016 -05(a), questions have arisen as to the meaning of the term “rewrite”; the Department has researched the matter and provides the following guidance. In 2003, Sec. 4809 (C) was amended to remove the term “renewal” and replace it with “rewrite.” The Merriam-Webster Dictionary defines “rewrite” as “to make a revision or cause to be revised”. Therefore, any change made to a policy, excluding the beginning and ending dates of coverage, is considered a “rewrite”. Accordingly, when issuing an initial policy or when any change is made to an existing policy the insurance agent or company must confirm the applicant/insured has paid all fire protection association dues or subscription payments.

The purpose of 36 O.S. § 4809 is to assure that rural fire protection districts receive sufficient funding to provide fire protection service to their designated areas. Rural fire protection districts that have a fire department servicing the area, have a lower risk of loss, due to fire, than an area which does not have firefighting service.

Insurers shall not allow any Insureds who have failed to pay fire protection association dues or subscription payments, any reduction in the cost of fire insurance due to the lessened risk attributable to such fire protection programs. **THE RESPONSE DATE, SPECIFIED IN BULLETIN PC 2016 – 05 (a), REMAINS AUGUST 22, 2016.**

Questions applicable to this bulletin should be directed to Ms. Cuc Nguyen, Manager of the Rate and Form Compliance Division, cuc.nguyen@oid.ok.gov, or Ms. Sara Worten, Asst. General Counsel, Oklahoma Insurance Department at sara.worten@oid.ok.gov, 3625 NW 56th Street, Suite 100, Oklahoma City, OK 73112.