



**CARROLL FISHER**  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

## **“AMENDED” BULLETIN NO. PC 2003-04**

**TO: ALL PROPERTY AND CASUALTY INSURERS LICENSED IN OKLAHOMA  
ATTENTION: STATE FILING DIVISION**

**FROM: CARROLL FISHER, INSURANCE COMMISSIONER**

**RE: ACCIDENT PREVENTION COURSE, AS DETAILED IN TITLE 36, SECTION 924.1.**

**DATE: April 9, 2004**

### **PURPOSE OF THIS BULLETIN**

It has come to the attention of the Oklahoma Insurance Department that certain insurers who write automotive or motorcycle liability and physical damage coverage may be incorrectly applying the premium reduction mentioned by Title 36, Section 924.1 of the Oklahoma Statutes. Some insurers appear to apply the premium reduction on a per-vehicle basis, as opposed to applying the reduction on a per-driver basis. Each insurance company must review their currently approved manual rules for compliance with this bulletin. If a revision is necessary, a filing containing the revised manual rule should be **promptly** submitted for approval.

### **TITLE 36, SECTION 924.1 DISCUSSION**

Paragraph A of the statute states that an appropriate reduction in premium charges shall be available for insured persons who complete a motor vehicle accident prevention course. Paragraph B also provides for a reduction in premium charges to persons who complete such a course. Paragraph D states that each participant in such a course shall receive a certificate upon successful course completion, which shall be the basis of qualification for the discount. Paragraph E states that the discount is available for three years to individuals who complete the approved course. Nowhere does the statute mention a discount being applied to a vehicle, only to an individual.

Since the statute does not mention a specific discount amount or percentage, insurers may use any percentage or amount they believe is appropriate. However, the Oklahoma Insurance Department recommends insurers use a discount that encourages Oklahoma drivers to complete an accident prevention course, as opposed to a nominal discount amount. In other words, the larger the discount, the more people that will attend a course. With more people attending the class, more Oklahoma drivers will have safe driving skills, resulting in fewer accidents and fewer policy claims.

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**Accident Prevention Course**

For completion of the accident prevention class, the usual discount amount is between 5% and 10%, with at least 5% as the typical reduction.

EXAMPLES

A possible scenario is a husband and wife who as a family own only one vehicle. While one individual may be the primary operator and the other individual the secondary operator, the discount should go to every operator **rated** on the policy who completes the class. This example should not be viewed as inclusive of every situation in which the problem occurs. The example is intended to illustrate that the discount should apply on a per insured person basis, not a per vehicle basis.

However, should an individual not rated on the policy complete an accident prevention course, no discount is necessary. When a person is rated on the policy and the course is completed, the discount applies.

QUESTIONS

Any questions should be directed by e-mail to [kathiestepp@insurance.state.ok.us](mailto:kathiestepp@insurance.state.ok.us) of the Property and Casualty Division or [robertnoll@insurance.state.ok.us](mailto:robertnoll@insurance.state.ok.us) of the Legal Division of the Oklahoma Insurance Department, Property and Casualty Division, P.O. Box 53408, Oklahoma City, OK 73152-3408.

The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site ([www.oid.state.ok.us](http://www.oid.state.ok.us)) for news and updates to Bulletins, Board Position Letters, Board meeting dates, and other relevant material.