

ENGROSSED HOUSE
BILL NO. 3173

By: Satterfield of the House

and

Long of the Senate

(insurance - cause of action for bad faith failure -
codification - effective date - emergency)

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1250.17 of Title 36, unless there is created a duplication in numbering, reads as follows:

Any insurer which fails or refuses willfully and in bad faith to pay a lawful and valid claim of any person to whom the insurer or its insured is liable under a policy of insurance within sixty (60) days after receipt of proof of loss shall be liable for any damages directly or indirectly caused by the failure or refusal to pay the claim and may also be liable for punitive damages. If an insurer is found to be in violation of this section, the Insurance Commissioner shall have the authority to revoke or suspend the license of the insurer. The cause of action authorized by the provisions of this section shall be in addition to any other remedy or action that may be initiated against the insurer.

SECTION 2. This act shall become effective July 1, 1998.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 11th day of March, 1998.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1998.

President of the Senate