

SB 1241

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THE STATE SENATE  
Wednesday, February 13, 2002

Senate Bill No. 1241

SENATE BILL NO. 1241 - By: SMITH of the Senate and BRADDOCK of the House.

An Act relating to the Governmental Tort Claims Act; amending 51 O.S. 2001, Section 158, which relates to settlement of claims; modifying settlement amount; requiring a district court approve certain settlements; and providing an effective date.

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

SECTION 1. AMENDATORY 51 O.S. 2001, Section 158, is amended to read as follows:

Section 158. A. The state or a political subdivision, after conferring with authorized legal counsel, may settle or defend against a claim or suit brought against it or its employee under this act subject to any procedural requirements imposed by statute, ordinance, resolution or written policy, and may appropriate money for the payment of amounts agreed upon. When the amount of any a settlement exceeds ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00), and any payment required by the settlement will not be paid through an applicable contract or policy of insurance, ~~the settlement shall not be effective until approved by the a district court and entered as~~ shall approve the settlement and enter a judgment as provided by law.

1           B. If a policy or contract of liability insurance covering the  
2 state or political subdivision or its employees is applicable, the  
3 terms of the policy govern the rights and obligations of the state  
4 or political subdivision and the insurer with respect to the  
5 investigation, settlement, payment and defense of claims or suits  
6 against the state or political subdivision or its employees covered  
7 by the policy. However, the insurer may not enter into a settlement  
8 for an amount which exceeds the insurance coverage without the  
9 approval of the governing body of the state or political subdivision  
10 or its designated representative if the state or political  
11 subdivision is insured.

12           C. Nothing in this section shall be construed to repeal or  
13 modify Sections 361 through 365.6 and 435 of Title 62 of the  
14 Oklahoma Statutes and it is intended that this section be construed  
15 in conformance with those sections.

16           D. The state or a political subdivision shall not be liable for  
17 any costs, judgments or settlements paid through an applicable  
18 contract or policy of insurance but shall be entitled to set off  
19 those payments against liability arising from the same occurrence.

20           E. The state or a political subdivision shall have the right of  
21 subrogation against the insurer issuing any applicable contractor  
22 policy of insurance to the monetary limit of said policy of  
23 insurance or contract, if judgment or settlement of any claim

1 arising pursuant to this act results in the imposition of monetary  
2 liability upon the state or the political subdivision.

3 F. Judgments, orders, and settlements of claims shall be open  
4 public records unless sealed by the court for good cause shown.

5 SECTION 2. This act shall become effective November 1, 2002.

6 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 2-12-02 - DO  
7 PASS, As Coauthored.