

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1539

By: Quinn

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6 AS INTRODUCED

7 An Act relating to civil procedure; requiring court
8 in actions against an insurer to rule on the breach
9 of contract claim before considering other claims;
10 prohibiting certain discovery prior to ruling on
11 breach of contract claim; providing for immediate
12 appeal of district court ruling on breach of contract
13 claim; requiring dismissal with prejudice of certain
14 claims if breach of contract claim fails; providing
15 for codification; and providing an effective date.

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

17 SECTION 1. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 840 of Title 12, unless there is
19 created a duplication in numbering, reads as follows:

20 A. If a civil action, filed against an insurer, includes a
21 claim of bad faith, breach of the covenant of good faith and fair
22 dealing, or other extra-contractual claim, the court shall first
23 determine if the insurer breached the insurance contract before
24 considering the claim of bad faith, breach of the covenant of good
25 faith and fair dealing, or other extra-contractual claim.

1 B. No discovery related to a claim of bad faith, breach of the
2 covenant of good faith and fair dealing, or other extra-contractual
3 claim shall be permitted by the court until a judgment against the
4 insurer that it breached the insurance contract becomes final.

5 C. The district court's judgment regarding a breach of contract
6 shall be immediately subject to appeal, notwithstanding the fact
7 that issues relating to the claim of bad faith, breach of the
8 covenant of good faith and fair dealing, or other extra-contractual
9 claim remain unresolved.

10 D. If, after the appeals process has been exhausted, the court
11 rules the insurer did not breach its contractual obligations, the
12 court shall dismiss with prejudice any claim of bad faith, breach of
13 the covenant of good faith and fair dealing, or other extra-
14 contractual claim.

15 SECTION 2. This act shall become effective November 1, 2013.

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17 54-1-6167 EK 01/16/13

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