

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 3258

By: Ortega

AS INTRODUCED

An Act relating to insurance; amending 36 O.S. 2011, Section 1250.7, as amended by Section 7, Chapter 95, O.S.L. 2018 (36 O.S. Supp. 2019, Section 1250.7), which relates to property and casualty claims; prohibiting insurer from reporting claim of no damage; prohibiting insurer from raising rate due to claim of no damage; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2011, Section 1250.7, as amended by Section 7, Chapter 95, O.S.L. 2018 (36 O.S. Supp. 2019, Section 1250.7), is amended to read as follows:

Section 1250.7 A. Within sixty (60) days after receipt by a property and casualty insurer of properly executed proofs of loss, the first-party claimant shall be advised of the acceptance or denial of the claim by the insurer, or if further investigation is necessary. No property and casualty insurer shall deny a claim because of a specific policy provision, condition, or exclusion unless reference to such provision, condition, or exclusion is included in the denial. A denial shall be given to any claimant in

1 writing, and the claim file of the property and casualty insurer
2 shall contain a copy of the denial. If there is a reasonable basis
3 supported by specific information available for review by the
4 Commissioner that the first-party claimant has fraudulently caused
5 or contributed to the loss, a property and casualty insurer shall be
6 relieved from the requirements of this subsection. In the event of
7 a weather-related catastrophe or a major natural disaster, as
8 declared by the Governor, the Insurance Commissioner may extend the
9 deadline imposed under this subsection an additional twenty (20)
10 days.

11 B. If a claim is denied for reasons other than those described
12 in subsection A of this section, and is made by any other means than
13 writing, an appropriate notation shall be made in the claim file of
14 the property and casualty insurer until such time as a written
15 confirmation can be made.

16 C. Every property and casualty insurer shall complete
17 investigation of a claim within sixty (60) days after notification
18 of proof of loss unless such investigation cannot reasonably be
19 completed within such time. If such investigation cannot be
20 completed, or if a property and casualty insurer needs more time to
21 determine whether a claim should be accepted or denied, it shall so
22 notify the claimant within sixty (60) days after receipt of the
23 proofs of loss, giving reasons why more time is needed. If the
24 investigation remains incomplete, a property and casualty insurer

1 shall, within sixty (60) days from the date of the initial
2 notification, send to such claimant a letter setting forth the
3 reasons additional time is needed for investigation. Except for an
4 investigation of possible fraud or arson which is supported by
5 specific information giving a reasonable basis for the
6 investigation, the time for investigation shall not exceed one
7 hundred twenty (120) days after receipt of proof of loss. Provided,
8 in the event of a weather-related catastrophe or a major natural
9 disaster, as declared by the Governor, the Insurance Commissioner
10 may extend this deadline for investigation an additional twenty (20)
11 days.

12 D. Insurers shall not fail to settle first-party claims on the
13 basis that responsibility for payment should be assumed by others
14 except as may otherwise be provided by policy provisions.

15 E. Insurers shall not continue or delay negotiations for
16 settlement of a claim directly with a claimant who is neither an
17 attorney nor represented by an attorney, for a length of time which
18 causes the claimant's rights to be affected by a statute of
19 limitations, or a policy or contract time limit, without giving the
20 claimant written notice that the time limit is expiring and may
21 affect the claimant's rights. Such notice shall be given to first-
22 party claimants thirty (30) days, and to third-party claimants sixty
23 (60) days, before the date on which such time limit may expire.

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1 F. No insurer shall make statements which indicate that the
2 rights of a third-party claimant may be impaired if a form or
3 release is not completed within a given period of time unless the
4 statement is given for the purpose of notifying a third-party
5 claimant of the provision of a statute of limitations.

6 G. In the event that a claim is processed and a determination
7 is made that there is no damage or the total payment amount is
8 determined to be zero dollars (\$0.00), the insurer shall not record
9 the claim in the claimant's history and the insurer shall not raise
10 the claimant's rates due to any claim that results in no damage or a
11 zero-dollar (\$0.00) payment.

12 H. If a lawsuit on the claim is initiated, the time limits
13 provided for in this section shall not apply.

14 SECTION 2. This act shall become effective November 1, 2020.

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