

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3646 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Preston Stinson

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

PROPOSED POLICY
COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3646

By: Stinson and Fugate

PROPOSED POLICY COMMITTEE SUBSTITUTE

An Act relating to insurance; creating the Protection for Oklahoma Insurance Policyholders Act of 2026; amending 36 O.S. 2021, Section 1250.3, which relates to acts that constitute unfair claims settlement practices; prohibiting the use of Artificial Intelligence (AI) by an insurer to deny claims covered by the Unfair Claims Settlement Practices Act; amending 36 O.S. 2021, Section 1435.3, as amended by Section 2, Chapter 225, O.S.L. 2022 (36 O.S. Supp. 2025, Section 1435.3), which relates to agency of insurance producer; requiring insurance producers to exercise care owed as a fiduciary; establishing no civil liability unless proven by a preponderance of the evidence that the fiduciary relationship has been violated; clarifying provisions do not limit or release insurance producer from liability for certain negligence; amending 36 O.S. 2021, Section 982, which relates to definitions used in the Property and Casualty Competitive Loss Cost Rating Act; defining the term Intervenor; amending 36 O.S. 2021, Section 987, which relates to rate filings; requiring hearing before rate change; permitting the Insurance Commissioner to declare a hearing not necessary if certain objection is not filed; requiring insurers to specify loss expenses incurred on in this state; establishing filer has burden of proving a rate change is justified; directing the Commissioner to notify the Attorney General and post information about application for a rate change; permitting the persons or policyholders to intervene in hearing; providing hearing

1 procedures; permitting declaratory judgement action;
2 permitting discovery; amending 36 O.S. 2021, Section
3 902.2, which relates to factors for review of filing;
4 directing Insurance Commissioner to consider certain
5 factors within state; amending 36 O.S. 2021, Section
6 907.1, which relates to monitoring and examination of
7 rates; directing the Commissioner to employ or retain
8 services of independent actuary or actuaries;
9 amending 36 O.S. 2021, Section 1126, which relates to
10 public access to documents and reports; establishing
11 certain documents, materials, and other information
12 as being open to the public and admissible as
13 evidence in any private civil action; amending 36
14 O.S. 2021, Section 3617, which relates to policy
15 restrictions voided; modifying statute of
16 limitations; amending 36 O.S. 2021, Section 1250.7,
17 which relates to property and casualty insurer denial
18 or acceptance of claim; modifying required notice to
19 be given to first party claimants; prohibiting
20 insurers from limiting statute of limitations to less
21 than required amount; amending 36 O.S. 2021, Section
22 1250.14, which relates to violations of the Unfair
23 Claims Settlement Practices Act; establishing
24 insurers may be liable to a first-party insured in
addition to civil penalty enforceable by the
Insurance Commissioner; providing for
noncodification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Protection for
Oklahoma Insurance Policyholders Act of 2026".

SECTION 2. AMENDATORY 36 O.S. 2021, Section 1250.3, is
amended to read as follows:

1 Section 1250.3. A. The provisions of the Unfair Claims
2 Settlement Practices Act shall apply to all claims arising under an
3 insurance policy or insurance contract issued by any insurer.

4 B. It is an unfair claim settlement practice for any insurer to
5 commit any act set out in Section 1250.5 of this title, or to commit
6 a violation of any other provision of the Unfair Claims Settlement
7 Practices Act, if:

8 1. It is committed flagrantly and in conscious disregard of
9 this act or any rules promulgated hereunder; or

10 2. It has been committed with such frequency as to indicate a
11 general business practice to engage in that type of conduct.

12 C. Artificial Intelligence (AI) shall not be used by any
13 insurer to deny any claim covered by the Unfair Claims Settlement
14 Practices Act. This prohibition shall include any type or function
15 of AI, including Artificial Narrow Intelligence, Artificial General
16 Intelligence, Reactive Machines, and Limited Memory AI.

17 SECTION 3. AMENDATORY 36 O.S. 2021, Section 1435.3, as
18 amended by Section 2, Chapter 225, O.S.L. 2022 (36 O.S. Supp. 2025,
19 Section 1435.3), is amended to read as follows:

20 Section 1435.3. A. Every insurance producer, as defined
21 pursuant to paragraph 7 of Section 1435.2 of this title, or limited
22 lines producer who solicits or negotiates an application for
23 insurance of any kind shall, subject to subsections D, E, and F of
24 this section, in any controversy between the insured or the

1 insured's beneficiary and the insurer, be regarded as representing
2 the insurer and not the insured or the insured's beneficiary. This
3 provision shall not affect the apparent authority of an insurance
4 producer.

5 B. Every surplus lines insurance broker who solicits an
6 application for insurance of any kind shall, in any controversy
7 between the insured or the insured's beneficiary and the insurer
8 issuing any policy upon such application, be regarded as
9 representing the insured or the insured's beneficiary and not the
10 insurer. Any company which directly or through its agents delivers
11 in this state to any insurance broker, a policy of insurance
12 pursuant to the application or request of such broker, acting for an
13 insured other than himself or herself, shall be deemed to have
14 authorized such broker to receive on its behalf, payment of any
15 premium which is due on such policy of insurance at the time of its
16 issuance or delivery.

17 C. Every licensed insurance producer shall be entitled to
18 commissions on all premiums collected for group insurance policies
19 negotiated by the insurance producer on behalf of an insurer and an
20 insurer shall be required to pay such commissions to the insurance
21 producer, except entitlement to commissions shall automatically
22 terminate without notice, effective on the date of the occurrence of
23 any of the following events:

1 1. The insurance producer's license to engage in accident and
2 health insurance business is terminated or revoked by this state or
3 any other public authority for cause. As used in this paragraph,
4 "cause" shall be defined as perpetration by the insurance producer
5 of fraud or embezzlement;

6 2. Material breach of the insurance producer's contract with
7 the account or insurer, excluding production requirements;

8 3. Termination of the insurance producer's "Agent of Record"
9 relationship with the employer or account; or

10 4. Death of the insurance producer, unless the contract between
11 the insurer states otherwise or the right to the commission has
12 vested.

13 Recovery of such commissions shall be through civil action. In any
14 action brought pursuant to this subsection, the court may award
15 reasonable attorney fees to the prevailing party.

16 D. An insurance producer shall exercise care owed as a
17 fiduciary in renewing, procuring, binding, or placing the coverage
18 requested by the insured or proposed insured.

19 E. No cause of action brought by any person or entity against
20 any insurance producer concerning the sale, placement, procurement,
21 renewal, binding, cancellation of, or failure to procure any policy
22 of insurance shall subject the insurance producer to civil liability
23 unless it is proved by a preponderance of the evidence that the
24

1 fiduciary relationship between a policyholder and producer has been
2 violated.

3 F. While limiting the scope of liability of an insurance
4 producer under standards governing the conduct of a fiduciary or a
5 fiduciary relationship, the provisions of this Section do not limit
6 or release an insurance producer from liability for negligence
7 concerning the sale, placement, procurement, renewal, binding,
8 cancellation of, or failure to procure any policy of insurance.

9 SECTION 4. AMENDATORY 36 O.S. 2021, Section 982, is
10 amended to read as follows:

11 Section 982. Definitions.

12 As used in the Property and Casualty Competitive Loss Cost
13 Rating Act:

14 1. "Accepted actuarial standards" means the standards adopted
15 by the Casualty Actuarial Society Statement of Principles regarding
16 property and casualty ratemaking or the Standards of Practice
17 adopted by the Actuarial Standards Board;

18 2. "Advisory organization" means any corporation,
19 unincorporated association, partnership or person, whether located
20 inside or outside this state, that is licensed in accordance with
21 Section 1140 of this title and which assists insurers in ratemaking-
22 related activities such as enumerated in Section 1142 of this title;

1 3. "Classification system" or "classification" means the
2 process of grouping risks with similar risk characteristics so that
3 differences in costs may be recognized;

4 4. "Commercial risk" means any kind of risk that is not a
5 personal risk;

6 5. "Commissioner" means the Commissioner of Insurance of this
7 state;

8 6. "Competitive market" means a market which has not been found
9 to be noncompetitive pursuant to Section 984 of this title;

10 7. "Developed losses" means losses, including loss adjustment
11 expenses, adjusted using accepted actuarial standards, to eliminate
12 the effect of differences between current payment or reserve
13 estimates and those which are anticipated to provide actual ultimate
14 loss, including loss adjustment expense payments;

15 8. "Expenses" means that portion of a rate attributable to
16 acquisition, field supervision, collection expenses, general
17 expenses, taxes, licenses and fees;

18 9. "Experience rating" means a rating procedure utilizing past
19 insurance experience of the individual policyholder to forecast
20 future losses by measuring the policyholder's loss experience
21 against the loss experience of policyholders in the same
22 classification to produce a prospective premium credit, debit or
23 unity modification;

1 10. "Intervenor" means the Attorney General or any consumer or
2 policyholder who has an interest in or is aggrieved by a filing to
3 change insurance rates in this state;

4 11. "Joint underwriting" means a voluntary arrangement
5 established to provide insurance coverage for a risk pursuant to
6 which two or more insurers jointly contract with the insured at a
7 price and under policy terms agreed upon between the insurers;

8 ~~11.~~ 12. "Loss adjustment expense" means the expenses incurred
9 by the insurer in the course of settling claims;

10 ~~12.~~ 13. "Market" means the statewide interaction between buyers
11 and sellers of identical or readily substitutable products that
12 provide insurance protection of identifiable perils to buyers;

13 ~~13.~~ 14. "Mass marketed plan" means a method of selling
14 property-liability insurance wherein the insurance is offered to
15 employees of particular employers or to members of particular
16 associations or organizations or to persons grouped in other ways,
17 and the employer or association or other organization has agreed to,
18 or otherwise affiliated itself with, the sale of such insurance to
19 its employees or members;

20 ~~14.~~ 15. "Noncompetitive market" means a market for which there
21 is a ruling in effect pursuant to Section 984 of this title that a
22 reasonable degree of competition does not exist;

23 ~~15.~~ 16. "Personal risk" means homeowners, tenants, private
24 passenger nonfleet automobiles, manufactured homes and other

1 property and casualty insurance for personal, family or household
2 needs, including any property and casualty insurance that is
3 otherwise intended for noncommercial coverage;

4 ~~16.~~ 17. "Pool" means a voluntary arrangement, established on an
5 ongoing basis, pursuant to which two or more insurers participate in
6 the sharing of risks on a predetermined basis. The pool may operate
7 through an association, syndicate or other pooling agreement;

8 ~~17.~~ 18. "Prospective loss costs" means historical aggregate
9 losses and may include loss adjustment expenses, including all
10 assessments that are loss based, projected through development to
11 their ultimate value and through trending to a future point in time;

12 ~~18.~~ 19. "Pure premium rate" means that portion of the rate
13 which represents the loss costs per unit of exposure including loss
14 adjustment expense;

15 ~~19.~~ 20. "Rate" or "rates" means that cost of insurance per
16 exposure unit whether expressed as a single number or as a
17 prospective loss cost with an adjustment to account for the
18 treatment of expenses, profit, and individual insurer variation in
19 loss experience, prior to any application of individual risk
20 variations based on loss or expense considerations, and does not
21 include minimum premium;

22 ~~20.~~ 21. "Residual market mechanism" means an arrangement,
23 either voluntary or mandated by law, involving participation by
24 insurers in the equitable apportionment among them of insurance

1 which may be afforded applicants who are unable to obtain insurance
2 through ordinary methods;

3 ~~21.~~ 22. "Special assessments" means guaranty fund assessments,
4 Special Indemnity Fund assessments, Vocational Rehabilitation Fund
5 assessments, and other similar assessments. Special assessments
6 shall not be considered as either expenses or losses;

7 ~~22.~~ 23. "Statistical plan" means the plan, system or
8 arrangement used in collecting data;

9 ~~23.~~ 24. "Supplementary rating information" means any manual or
10 plan of rates, classification, rating schedule, minimum premium,
11 policy fee rating rule and any other information needed to determine
12 the applicable premium in effect or to be in effect. This includes,
13 rating plans, territory codes and descriptions and rules which
14 include factors or relativities such as increased limits factors,
15 deductible discounts or relativities, classification relativities or
16 similar factors used to determine the rate in effect or to be in
17 effect;

18 ~~24.~~ 25. "Supporting information" means the experience and
19 judgment of the filer and the experience or data of other insurers
20 or advisory organizations relied upon by the filer, the
21 interpretation of any other data relied upon by the filer,
22 descriptions of methods used in making the rates and any other
23 information required by the Commissioner to be filed; and
24

1 ~~25.~~ 26. "Trending" means any procedure for projecting losses to
2 the average date of loss, or premiums or exposures to the average
3 date of writing, for the period during which the policies are to be
4 effective.

5 SECTION 5. AMENDATORY 36 O.S. 2021, Section 987, is
6 amended to read as follows:

7 Section 987. Rate Filings.

8 A. In a competitive market, every insurer shall file with the
9 Commissioner all rates and supplementary rate information to be used
10 in this state no later than thirty (30) days after the effective
11 date; provided, that the rates and supplementary rate information
12 need not be filed for commercial risks, which by general custom are
13 not written according to manual rules or rating plans. The
14 application for a rate change shall not be approved until a hearing,
15 as provided for by subsections I and J of this section, is held to
16 determine the necessity of the rate change. The Commissioner may
17 declare a hearing is not necessary if the Attorney General or an
18 intervenor does not file an objection to the rate filing within
19 thirty (30) days of the date of filing and notice to the Attorney
20 General and the public as required by this act.

21 B. In a noncompetitive market, every insurer shall file with
22 the Commissioner all rates, supplementary rate information and
23 supporting information at least thirty (30) days before the proposed
24 effective date. The Commissioner may give written notice, within

1 thirty (30) days of receipt of the filing, that the Commissioner
2 needs additional time, not to exceed thirty (30) days from the date
3 of the notice to consider the filing. Upon written application of
4 the insurer, the Commissioner may authorize rates to be effective
5 before the expiration of the waiting period or an extension thereof.
6 A filing shall be deemed to meet the requirements of the Property
7 and Casualty Competitive Loss Cost Rating Act and to become
8 effective unless disapproved pursuant to this title by the
9 Commissioner before the expiration of the waiting period or an
10 extension thereof.

11 In a noncompetitive market, the filing shall be deemed in
12 compliance with the filing provision of this section unless the
13 Commissioner informs the insurer within ten (10) days after receipt
14 of the filings as to what supplementary rate information or
15 supporting information is required to complete the filing.

16 C. Every authorized insurer shall file with the Commissioner,
17 except as to rates for those lines of insurance exempted from the
18 provisions of the Property and Casualty Competitive Loss Cost Rating
19 Act by the Commissioner under subsections E and F of this section
20 and except for those risks designated as special risks under Section
21 997 of this title, all rates, supplementary rate information and any
22 changes and amendments which it proposes to use. An insurer shall
23 specify loss expenses incurred only in this state. An insurer may
24 file its rates by either filing its final rates or by filing a

1 multiplier and, if applicable, an expense constant adjustment to be
2 applied to prospective loss costs that have been filed by an
3 advisory organization as permitted by this title. Such loss cost
4 multiplier filing and expense constant filings made by insurers
5 shall remain in effect until amended or withdrawn by the insurer.
6 Every filing shall state the effective date.

7 D. Under rules as may be adopted, the Commissioner may, by
8 written order, suspend or modify the requirement of filing as to any
9 kind of insurance, subdivision or combination thereof, or as to
10 classes of risks.

11 E. Notwithstanding any other provision of the Property and
12 Casualty Competitive Loss Cost Rating Act, upon the written consent
13 of the insured in a separate written document, a rate in excess of
14 that determined in accordance with the other provisions of the
15 Property and Casualty Competitive Loss Cost Rating Act may be used
16 on a specific risk.

17 F. A filing and any supporting information required to be filed
18 shall be open to public inspection once the filing becomes effective
19 except information marked confidential, trade secret, or proprietary
20 by the insurer or filer and except the filings of an advisory
21 organization which shall be open to public inspection upon the
22 received date of the rate, loss cost, or manual rule change. The
23 insurer or filer shall have the burden of asserting to the
24 Commissioner that a filing and supporting information are

1 confidential, upon the request of the Commissioner. The
2 Commissioner may disapprove of the insurer's request for
3 confidential filing status.

4 G. Notwithstanding any other provision of the Property and
5 Casualty Competitive Loss Cost Rating Act, the filer in either a
6 competitive or noncompetitive market shall have the burden of
7 proving that the rate change is justified and is in compliance with
8 Oklahoma's Insurance Statutes. The Commissioner shall actuarially
9 evaluate the rate change.

10 H. The Commissioner shall notify the Attorney General and post
11 on the official Website of the Oklahoma Insurance Department
12 information about any application by an insurer for a rate change.

13 I. Any person or policyholder aggrieved or affected with
14 respect to a rate filing shall be allowed to intervene and
15 participate in any hearing called by the Commissioner. The
16 intervenor shall be allowed to appear in person or by counsel.

17 J. At a hearing with respect to a rate filing, the Attorney
18 General or any intervenor shall be allowed to obtain sworn testimony
19 from a representative or representatives of the insurer, including
20 any actuary submitting a report in the rate filing. The Attorney
21 General or intervenor as provided for in subsection C shall have the
22 right to subpoena witnesses for such hearing. In the event an
23 intervenor's effort result in a substantial reduction in the
24 proposed insurance rate increase, the intervenor shall be awarded

1 costs and attorney's fees to be paid by the insurer. Reasonable
2 advocacy and witness fees and expenses may be awarded to any person
3 who demonstrates that the person represents the interests of
4 consumers, and has made a substantial contribution to the adoption
5 of any order, regulation, or decision by the Commissioner or court.
6 Where such advocacy occurs in response to a rate change filing, the
7 award shall be paid by the filer. If any party in interest or
8 intervenor is aggrieved by a district court order, the order may be
9 appealed to the Oklahoma Supreme Court as provided by law. The
10 rules of evidence prescribed by the Oklahoma Administrative
11 Procedures Act shall be observed at all hearings.

12 K. Within one hundred and eighty (180) days after the filing of
13 a rate change, a policyholder of the insurer making the rate change
14 filing may file a Declaratory Judgment action pursuant to Section
15 1651 of Title 13 of the Oklahoma Statutes in the District Court of
16 Oklahoma County to determine the necessity and appropriateness of
17 the rate change. The policyholder shall be permitted to conduct
18 discovery pursuant to the Oklahoma Discovery Code, sections 3224
19 through 3237 of title 12 of the Oklahoma Statutes.

20 SECTION 6. AMENDATORY 36 O.S. 2021, Section 902.2, is
21 amended to read as follows:

22 Section 902.2. A. The Insurance Commissioner when reviewing a
23 filing shall give due consideration to the following when, in its
24

1 discretion, it determines that such factor or factors are
2 applicable:

- 3 1. Past loss experience within ~~and outside~~ this state;
- 4 2. Prospective loss experience within ~~and outside~~ this state;
- 5 3. Physical hazards insured;
- 6 4. Safety and loss prevention programs;
- 7 5. Underwriting practices and judgment;
- 8 6. Catastrophe hazards;
- 9 7. Reasonable underwriting profit and contingencies;
- 10 8. Dividends, savings or unabsorbed premium deposits allowed or
11 returned to policyholders;
- 12 9. Past expenses within ~~and outside~~ this state;
- 13 10. Prospective expenses within and outside this state;
- 14 11. Existence of classification rates for a given risk;
- 15 12. Investment income within and outside this state;
- 16 13. Rarity or peculiarity of the risks within ~~and outside~~ this
17 state;
- 18 14. In the case of workers' compensation rates, differences in
19 the hazard levels of different geographical regions of the state;
- 20 15. All other relevant factors within and outside this state;
- 21 and
- 22 16. Whether existing rates continue to meet the standards of
23 this article.
- 24

1 B. The Commissioner shall determine the weight to be accorded
2 each of the factors contained in subsection A of this section.

3 C. Past or prospective expenses within ~~or outside~~ this state
4 pursuant to paragraphs 9 and 10 of subsection A of this section
5 shall not include prohibited expenses for advertising or prohibited
6 expenses for membership in organizations.

7 For the purpose of this subsection:

8 1. "Prohibited expenses for advertising" means the cost of
9 advertising in any media the purpose of which is to influence
10 legislation or to advocate support for or opposition to a candidate
11 for public office;

12 2. "Prohibited expenses for advertising" shall not mean:

- 13 a. any communication to customers and the public of
14 information regarding an insurer's insurance products,
- 15 b. any communication to customers and the public of
16 safety, safety education or loss prevention
17 information,
- 18 c. periodic publications or reports to stockholders or
19 members required by the certificate or bylaws of the
20 insurer,
- 21 d. any communication with customers and the public which
22 provides instruction in the use of the insurer's
23 products and services, or
24

e. any communication with customers and the public for giving notice or information required by law or otherwise necessary;

3. "Prohibited expenses for membership" means the cost of membership in any organization which conducts substantial efforts, including but not limited to prohibited expenses for advertising, the purpose of which is to influence legislation or to advocate support for or opposition to a candidate for public office; and

4. "Prohibited expenses for membership" shall not mean the cost of membership in advisory organizations or other organizations the primary purpose of which is to provide statistical information on losses.

SECTION 7. AMENDATORY 36 O.S. 2021, Section 907.1, is amended to read as follows:

Section 907.1. A. The Insurance Commissioner shall monitor and examine the adequacy of rates of any insurer and advisory organization in this state and the filing of any requested rate change. In so doing, the Commissioner shall:

1. Utilize existing relevant information, analytical systems and other sources; ~~or~~ and

2. Cause or participate in the development of new relevant information, analytical systems and other sources. The Commissioner shall employ or retain the services of an independent actuary or

1 actuaries to examine the information contained in the actuarial
2 report of the filer for a change in rates.

3 B. The Commissioner may require the maintenance and submission
4 of records, memoranda or information relating to rates from such
5 insurers and advisory organizations. The Commissioner or any
6 authorized representative of the Commissioner may examine any such
7 record, memoranda or information concerning rates. The application
8 for the acceptance of any license or permit issued pursuant to the
9 provision of this title shall be deemed consent for the inspection
10 and examination of such records, memoranda or information.

11 C. The Commissioner shall conduct such monitoring and
12 examination required pursuant to this section within the Insurance
13 Department, at the place of business of such insurers and advisory
14 organizations, in cooperation with other state insurance
15 departments, through outside contractors or in any other appropriate
16 manner.

17 D. The cost of such examination and monitoring shall be
18 assessed against insurers and advisory organizations on an equitable
19 and practical basis established, after hearing, in a rule
20 promulgated by the Commissioner.

21 E. The monitoring and examinations required pursuant to the
22 provisions of this section, shall be conducted in a reasonably
23 economical manner.

SECTION 8. AMENDATORY 36 O.S. 2021, Section 1126, is amended to read as follows:

Section 1126. A. The Statement of Actuarial Opinion shall be provided with the annual statement in accordance with the appropriate National Associations of Insurance Commissioners Property and Casualty Annual Statement Instructions and shall be treated as a public document.

B. 1. Documents, materials or other information in the possession or control of the Insurance Department that are considered an actuarial report, work papers or actuarial opinion summary provided in support of the opinion, and any other material provided by the company to the Insurance Commissioner in connection with the actuarial report, work papers or actuarial opinion summary, and any work papers used by the Commissioner or any other person in the analysis of the actuarial report, work papers, other material or actuarial opinion summary provided in support of the opinion, shall be ~~confidential by law and privileged~~ open to the public, shall ~~not~~ be subject to the Oklahoma Open Records Act, shall ~~not~~ be subject to subpoena, and shall not be subject to discovery ~~or~~ and admissible in evidence in any private civil action. ~~The confidentiality and protection from discovery by subpoena provided in this paragraph shall not be construed to be extended to identical, similar or other related documents or information or to the work papers that are not~~

1 ~~deemed to be in the possession, custody or control of the~~
2 ~~Commissioner.~~

3 2. This provision shall not be construed to limit the
4 Commissioner's authority to release the documents to the Actuarial
5 Board for Counseling and Discipline (ABCD) so long as the material
6 is required for the purpose of professional disciplinary proceedings
7 and the ABCD establishes procedures satisfactory to the Commissioner
8 for preserving the confidentiality of the documents, nor shall this
9 section be construed to limit the Commissioner's authority to use
10 the documents, materials or other information in furtherance of any
11 regulatory or legal action brought as part of the Commissioner's
12 official duties.

13 C. Neither the Commissioner nor any person who received
14 documents, materials or other information while acting under the
15 authority of the Commissioner shall be permitted or required to
16 testify in any private civil action concerning any confidential
17 documents, materials or information subject to subsection B of this
18 section.

19 D. In order to assist in the performance of the Commissioner's
20 duties, the Commissioner:

21 1. May share documents, materials or other information,
22 including ~~the confidential and privileged~~ documents, materials or
23 information subject to subsection B of this section with other
24 state, federal and international regulatory agencies, with the

1 National Association of Insurance Commissioners and its affiliates
2 and subsidiaries, and with state, federal and international law
3 enforcement authorities; ~~provided, that the recipient agrees to~~
4 ~~maintain the confidentiality and privileged status of the document,~~
5 ~~material or other information and has the legal authority to~~
6 ~~maintain confidentiality;~~

7 2. May receive documents, materials or information, including
8 otherwise confidential and privileged documents, materials or
9 information, from the National Association of Insurance
10 Commissioners and its affiliates and subsidiaries, and from
11 regulatory and law enforcement officials of other foreign or
12 domestic jurisdictions, and shall maintain as confidential or
13 privileged any document, material or information received with
14 notice or the understanding that it is confidential or privileged
15 under the laws of the jurisdiction that is the source of the
16 document, material or information; and

17 3. May enter into agreements governing sharing and use of
18 information consistent with subsections B through D of this section.

19 E. No waiver of any applicable privilege or claim of
20 confidentiality in the documents, materials or information shall
21 occur as a result of disclosure to the Commissioner under this
22 section or as a result of sharing as authorized in subsection D of
23 this section unless the documents, materials, or information are
24

1 designated as open to the public consistent with subsections B
2 through D of this section.

3 SECTION 9. AMENDATORY 36 O.S. 2021, Section 3617, is
4 amended to read as follows:

5 Section 3617. No policy delivered or issued for delivery in
6 Oklahoma and covering a subject of insurance resident, located, or
7 to be performed in Oklahoma, shall contain any condition,
8 stipulation or agreement (1) requiring such policy to be construed
9 according to the laws of any other state or country, except as
10 necessary to meet the requirements of the motor vehicle financial
11 responsibility laws or compulsory disability benefit laws of such
12 other state or country, or (2) preventing the bringing of an action
13 against any such insurer for more than six (6) months after the
14 cause of action accrues, or (3) limiting the time within which an
15 action may be brought to a period of less than ~~two (2) years from~~
16 ~~the time the cause of action accrues in connection with all~~
17 ~~insurances other than property and marine and transportation~~
18 ~~insurances; in property and marine and transportation policies such~~
19 ~~time shall not be limited to less than one (1) year from the date of~~
20 ~~occurrence of the event resulting in the loss~~ the limitations of
21 actions as provided by Section 95 of Title 12 of the Oklahoma
22 Statutes. Any such condition, stipulation or agreement shall be
23 void, but such voidance shall not affect the validity of the other
24 provisions of the policy.

1 SECTION 10. AMENDATORY 36 O.S. 2021, Section 1250.7, is
2 amended to read as follows:

3 Section 1250.7. A. Within sixty (60) days after receipt by a
4 property and casualty insurer of properly executed proofs of loss,
5 the first party claimant shall be advised of the acceptance or
6 denial of the claim by the insurer, or if further investigation is
7 necessary. No property and casualty insurer shall deny a claim
8 because of a specific policy provision, condition, or exclusion
9 unless reference to such provision, condition, or exclusion is
10 included in the denial. A denial shall be given to any claimant in
11 writing, and the claim file of the property and casualty insurer
12 shall contain a copy of the denial. If there is a reasonable basis
13 supported by specific information available for review by the
14 Commissioner that the first party claimant has fraudulently caused
15 or contributed to the loss, a property and casualty insurer shall be
16 relieved from the requirements of this subsection. In the event of
17 a weather-related catastrophe or a major natural disaster, as
18 declared by the Governor, the Insurance Commissioner may extend the
19 deadline imposed under this subsection an additional twenty (20)
20 days.

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

3 C. Every property and casualty insurer shall complete
4 investigation of a claim within sixty (60) days after notification
5 of proof of loss unless such investigation cannot reasonably be
6 completed within such time. If such investigation cannot be
7 completed, or if a property and casualty insurer needs more time to
8 determine whether a claim should be accepted or denied, it shall so
9 notify the claimant within sixty (60) days after receipt of the
10 proofs of loss, giving reasons why more time is needed. If the
11 investigation remains incomplete, a property and casualty insurer
12 shall, within sixty (60) days from the date of the initial
13 notification, send to such claimant a letter setting forth the
14 reasons additional time is needed for investigation. Except for an
15 investigation of possible fraud or arson which is supported by
16 specific information giving a reasonable basis for the
17 investigation, the time for investigation shall not exceed one
18 hundred twenty (120) days after receipt of proof of loss. Provided,
19 in the event of a weather-related catastrophe or a major natural
20 disaster, as declared by the Governor, the Insurance Commissioner
21 may extend this deadline for investigation an additional twenty (20)
22 days.

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

4 E. Insurers shall not continue or delay negotiations for
5 settlement of a claim directly with a claimant who is neither an
6 attorney nor represented by an attorney, for a length of time which
7 causes the claimant's rights to be affected by a statute of
8 limitations, ~~or a policy or contract time limit,~~ without giving the
9 claimant written notice that the time limit is expiring and may
10 affect the claimant's rights. Such notice shall be given to first
11 party claimants ~~and third party claimants one year~~ sixty (60) days
12 ~~after the date of the loss~~ before the expiration of a statute of
13 limitations.

14 F. No insurer shall make statements which indicate that the
15 rights of a third party claimant may be impaired if a form or
16 release is not completed within a given period of time unless the
17 statement is given for the purpose of notifying a third party
18 claimant of the provision of a statute of limitations.

19 G. If a lawsuit on the claim is initiated, the time limits
20 provided for in this section shall not apply.

21 H. As a matter of public policy, in no event shall an insurer
22 provide in a contract of insurance a statute of limitations that is
23 less than the general limitation of actions as provided by Section
24 95 of Title 12 of the Oklahoma Statutes. Any such condition,

1 stipulation, or agreement shall be void, but such voidance shall not
2 affect the validity of the other provisions of the policy.

3 SECTION 11. AMENDATORY 36 O.S. 2021, Section 1250.14, is
4 amended to read as follows:

5 Section 1250.14. A. For any violation of the Unfair Claims
6 Settlement Practices Act, the Insurance Commissioner may, after
7 notice and hearing, subject an insurer to a civil penalty of not
8 less than One Hundred Dollars (\$100.00) nor more than Five Thousand
9 Dollars (\$5,000.00) for each occurrence. Such civil penalty may be
10 enforced in the same manner in which civil judgments may be
11 enforced.

12 B. In addition to the civil penalty enforceable by the
13 Insurance Commissioner, an insurer may be liable to a first-party
14 insured for the insurer's violation of one or more provisions of the
15 Unfair Claims Settlement Practices Act. Provided, the insurer shall
16 not be subject to a judgment in district court unless the insured
17 proves by a preponderance of evidence that damages claimed are a
18 proximate result of the violation or violations of the Unfair Claims
19 Settlement Practices Act.

20 SECTION 12. This act shall become effective November 1, 2026.
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