

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2933

By: Tedford

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6
7 COMMITTEE SUBSTITUTE

8 An Act relating to insurance; directing that personal
9 and commercial property insurers shall file certain
10 report by specified date; providing manner in which
11 report shall be filed; providing required content of
12 report; clarifying that reports shall be treated as
13 working papers and documents; permitting Insurance
14 Commissioner to use reports to determine whether
15 market conduct examination or investigation should be
16 conducted; establishing penalty for violation;
17 amending Section 7, Chapter 345, O.S.L. 2024 (36 O.S.
18 Supp. 2025, Section 322), which relates to penalties
19 enforced by the Insurance Department; modifying
20 penalties the Insurance Commissioner may enforce;
21 amending Section 19, Chapter 345, O.S.L. 2024, as
22 amended by Section 2, Chapter 195, O.S.L. 2024 (36
23 O.S. Supp. 2025, Section 908), which relates to
24 administrative penalties enforced by the Insurance
Department; modifying administrative penalties the
Insurance Commissioner may enforce; amending 36 O.S.
2021, Section 942, which relates to motor vehicle
liability or collision policies; clarifying traffic
records not to be used by insurers in modifying rates
or determining refusal or renewal of a policy;
amending 36 O.S. 2021, Section 943, which relates to
circumstances insurers are prohibited from canceling,
increasing rates, or refusing to issue or renew motor
vehicle policies; prohibiting insurers from
canceling, refusing to renew or terminate, or
increasing policy premiums based on first claim
against policy; clarifying circumstances under which
policies may be canceled, not renewed or terminated,
or premiums increased; amending 36 O.S. 2021, Section
961, which relates to premium discounts or rate

1 reductions for resistance to tornado or other wind
2 events; modifying circumstances under which insurance
3 companies shall provide a premium discount or rate
4 reduction; modifying citations; amending 36 O.S.
5 2021, Section 962, which relates to premium discount
6 or rate reduction for resistance to tornado or other
7 wind events for retrofit properties; modifying
8 circumstances under which insurance companies shall
9 provide a premium discount or rate reduction;
10 modifying citations; amending 36 O.S. 2021, Section
11 1211, which relates to civil penalties related to
12 unfair methods of competition or unfair and deceptive
13 acts or practices; modifying civil penalties;
14 amending 36 O.S. 2021, Section 1204, as amended by
15 Section 16, Chapter 360, O.S.L. 2024 (36 O.S. Supp.
16 2025, Section 1204), which relates to unfair methods
17 of competition and unfair or deceptive acts or
18 practices; directing insurers providing certain
19 additional coverage consider all building codes as
20 being strictly enforced; amending 36 O.S. 2021,
21 Section 1212, which relates to powers vested in the
22 Insurance Commissioner; modifying applicability of
23 powers; amending 36 O.S. 2021, Section 1250.4, which
24 relates to claim files and responses to inquiries;
modifying timeline for response to Insurance
Commissioner inquiries; establishing that the
Insurance Commissioner's dispute resolution program
shall be subject to the laws and protections of the
Dispute Resolution Act; establishing that only the
policyholder may request mediation; making mediation
voluntary except under listed circumstances; defining
term; requiring claims to be submitted and fully
processed through the Insurance Department's consumer
complaint program before qualifying for mediation;
requiring all parties to negotiate in good faith;
clarifying dispute is not required to be resolved in
mediation; providing procedure for rescinding
settlement by policyholder; providing procedure for
mediation conference; establishing when an insurer
will be deemed to have failed to appear; establishing
penalty for violation by insurer; permitting
Insurance Commissioner rule-making authority;
amending 36 O.S. 2021, Section 1250.6, which relates
to property and casualty insurers, receipt of claims,
and inquiries from the Insurance Commissioner;
modifying timeline for insurers to acknowledge
receipt of claim; requiring acknowledgement include

1 Homeowner Claims Bill of Rights; requiring insurer to
2 send detailed estimate where applicable; requiring
3 insurers issuing a personal lines residential
4 property insurance policy to include Homeowner Claims
5 Bill of Rights; providing minimum statement of
6 Homeowner Claims Bill of Rights; establishing
7 violation shall be a violation of the Unfair Claims
8 Settlement Practices Act; amending 36 O.S. 2021,
9 Section 1250.7, which relates to denial or acceptance
10 of claims by property and casualty insurer; modifying
11 timeline for acceptance or denial of claim; requiring
12 claimant be notified in writing; requiring insurer
13 provide reasonable explanation of payment less than
14 specified in insurer's detailed estimate;
15 establishing interest rate for untimely payments;
16 prohibiting the waiver of subsection; clarifying
17 failure to comply does not form sole basis for
18 private cause of action; establishing policyholder
19 right to request a physical, in-person inspection;
20 amending 36 O.S. 2021, Section 1250.14, which relates
21 to violations and penalties of the Unfair Claims
22 Settlement Practices Act; modifying penalties the
23 Commissioner may enforce under the Unfair Claims
24 Settlement Practices Act; amending 36 O.S. 2021,
Section 3639.1, which relates to personal residential
insurance; prohibiting certain terminations;
prohibiting certain actions by insurers for claims
occurring more than five years before policy
effective date or renewal; directing that insurers
shall not refuse underwriting risk for homeowner's
insurance in certain cases; prohibiting certain
actions by insurers for certain claims; providing
exceptions; directing that insurers may only consider
at-fault motor vehicle claims history in provided
time frame; prohibiting insurer from reducing
coverage or refusing to issue or renew homeowner's
policy based solely on use of aerial imaging;
prohibiting insurers from reducing coverage or
refusing to issue or renew homeowner's policy based
solely on age of roof less than fifteen years old;
requiring insurers to allow homeowners have a roof
inspection; providing procedure for calculating
roof's age; providing for codification; and providing
an effective date.

1
2 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

3 SECTION 1. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 311.5 of Title 36, unless there
5 is created a duplication in numbering, reads as follows:

6 A. By March 31, 2027, and on a quarterly basis thereafter, each
7 insurer authorized to write personal and commercial property
8 insurance in this state shall file with the Oklahoma Insurance
9 Department a supplemental report with information regarding personal
10 and commercial residential property insurance policies in this
11 state. The report shall be filed electronically in the manner and
12 form prescribed by the Insurance Commissioner and in accordance with
13 any instructions on the Department's website. The supplemental
14 report shall include separate information for personal lines,
15 property policies, and commercial lines property policies. The
16 report shall, at a minimum, include the following information for
17 each ZIP code broken down by month:

- 18 1. Total number of policies in force at the end of each month;
- 19 2. Total number of policies canceled;
- 20 3. Total number of policies nonrenewed;
- 21 4. Number of new policies written;
- 22 5. Total written premium;
- 23 6. Is the insurer actively writing policies;
- 24 7. Number of policies that exclude wind coverage;

- 1 8. Number of new claims open during each month;
- 2 9. Number of claims closed during each month;
- 3 10. Number of claims pending at the end of each month; and
- 4 11. Number of claims in which either the insurer or insured
- 5 invoked any form of alternative dispute resolution.

6 B. Supplemental quarterly reports filed with the Insurance
7 Commissioner pursuant to this section shall be treated as working
8 papers and documents as set out in subsection F of Section 309.4 of
9 this title.

10 C. The Insurance Commissioner may use supplemental quarterly
11 reports to assist in determining whether a market conduct
12 examination or investigation of an insurer should be conducted. For
13 purposes of completing a market conduct examination of any company
14 under Sections 309.1 through 309.7 of this title, the Insurance
15 Commissioner may, in the sole discretion of the Insurance
16 Commissioner, use supplemental quarterly reports or amendments or
17 addendums to such statements to assist in determining compliance
18 with the laws of this state and rules adopted by the Insurance
19 Commissioner and to support any regulatory actions initiated by the
20 Insurance Commissioner.

21 D. For any repeated violation of this section, the Insurance
22 Commissioner may, after notice and opportunity for a hearing,
23 subject an insurer to a civil penalty of up to One Thousand Dollars
24 (\$1,000.00) for each occurrence, along with any other penalties set

1 forth in applicable law. The civil penalty may be enforced in the
2 same manner in which civil judgments may be enforced.

3 SECTION 2. AMENDATORY Section 7, Chapter 345, O.S.L.
4 2024 (36 O.S. Supp. 2025, Section 322), is amended to read as
5 follows:

6 Section 322. A. The Insurance Commissioner may, if the
7 Commissioner finds that any person or organization has violated the
8 provisions of any statute, rule, bulletin, or order for which the
9 Commissioner has jurisdiction, impose a penalty of not more than
10 ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00)
11 for each such violation. In addition to or in lieu of any fine
12 amount, the Insurance Commissioner may refuse to renew, suspend, put
13 on probation, or revoke an insurer's certificate of authority,
14 licenses, or any other registration or similar approval to conduct
15 business in Oklahoma issued by the Insurance Commissioner. Such
16 penalties may be in addition to any other penalty provided by law.

17 B. The Insurance Commissioner may also direct the person or
18 organization against whom the order was issued to make complete
19 restitution, in the form, manner, and amount and within the time
20 period determined by the Commissioner, to all Oklahoma residents,
21 Oklahoma insureds, and entities operating in Oklahoma damaged by the
22 violation or failure to comply.

23 C. No penalty shall be imposed except upon a written order of
24 the Commissioner or the appointed independent hearing examiner,

1 stating the findings of the Commissioner or the appointed
2 independent hearing examiner after notice and opportunity for a
3 hearing in accordance with Article II of the Administrative
4 Procedures Act.

5 SECTION 3. AMENDATORY Section 19, Chapter 345, O.S.L.
6 2024, as amended by Section 2, Chapter 195, O.S.L. 2024 (36 O.S.
7 Supp. 2025, Section 908), is amended to read as follows:

8 Section 908. A. The Insurance Commissioner may, if the
9 Commissioner finds that any person or organization has violated the
10 provisions of any statute, rule, or order for which the Commissioner
11 has jurisdiction, impose a penalty of not more than ~~Five Thousand~~
12 ~~Dollars (\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00) for each such
13 violation. In addition to or in lieu of any fine amount, the
14 Insurance Commissioner may refuse to renew, suspend, put on
15 probation, or revoke an insurer's certificate of authority,
16 licenses, or any other registration or similar approval to conduct
17 business in Oklahoma issued by the Insurance Commissioner. Such
18 penalties may be in addition to any other penalty provided by law.

19 B. The Insurance Commissioner may also direct the person or
20 organization against whom the order was issued to make complete
21 restitution, in the form, manner, and amount and within the time
22 period determined by the Commissioner, to all Oklahoma residents,
23 Oklahoma insureds, and entities operating in Oklahoma damaged by the
24 violation or failure to comply.

1 C. No penalty shall be imposed except upon a written order of
2 the Commissioner or the appointed independent hearing examiner,
3 stating the findings of the Commissioner or the appointed
4 independent hearing examiner after notice and opportunity for a
5 hearing in accordance with Article II of the Administrative
6 Procedures Act.

7 SECTION 4. AMENDATORY 36 O.S. 2021, Section 942, is
8 amended to read as follows:

9 Section 942. Any insurance carrier that issues motor vehicle
10 liability or collision insurance policies in this state shall not
11 establish or apply premium rates, increase premium rates, cancel a
12 policy, or refuse to issue or renew a policy, based on any traffic
13 record ~~maintained by the Department of Public Safety, including, but~~
14 not limited to, traffic complaints, traffic citations or other legal
15 forms of traffic charges, and accident reports, which covers a
16 period of time more than three (3) years prior to the date the
17 insurance carrier makes a determination to take any such action;
18 provided, however, those offenses that are provided for in
19 subsection C of Section 941 of this title and the offense of
20 reckless driving as provided for in Section 11-901 of Title 47 of
21 the Oklahoma Statutes may be considered by an insurance carrier for
22 a period of not more than five (5) years.

23 SECTION 5. AMENDATORY 36 O.S. 2021, Section 943, is
24 amended to read as follows:

1 Section 943. A. No insurance carrier who issues motor vehicle
2 policies in this state shall use traffic complaints, traffic
3 citations or other legal forms of traffic charges as a basis for
4 cancellation of a motor vehicle insurance policy, increasing premium
5 rates for a motor vehicle insurance policy or refusing to issue or
6 renew a motor vehicle insurance policy, where:

- 7 1. ~~the~~ The insured was acquitted of the charge;
- 8 2. ~~the~~ The insured was arrested and no charges were filed; or
- 9 3. ~~the~~ The insured was arrested and the charges were dismissed.

10 B. No insurer shall cancel, refuse to renew or otherwise
11 terminate, a motor vehicle policy which has been in effect more than
12 forty-five (45) days solely because the insured filed a first claim
13 against the policy. Nothing in this subsection shall be construed
14 to prevent the cancellation, nonrenewal or other termination, or
15 increase in premium for any of the following reasons:

- 16 1. Nonpayment of premium;
- 17 2. Discovery of fraud or material misrepresentation in the
18 procurement of the insurance or with respect to any claims submitted
19 thereunder;
- 20 3. Offenses provided for in subsection C of Section 941 of this
21 title;
- 22 4. Offenses provided for in Section 11-901 of Title 47 of the
23 Oklahoma Statutes; or

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1 5. A determination by the Insurance Commissioner that the
2 continuation of the policy would place the insurer in violation of
3 the insurance laws of this state.

4 C. The Insurance Commissioner may suspend or revoke, after
5 notice and hearing, the certificate of authority to transact
6 insurance business in this state of any insurance carrier violating
7 the provisions of this section or may censure the insurer or impose
8 a fine.

9 SECTION 6. AMENDATORY 36 O.S. 2021, Section 961, is
10 amended to read as follows:

11 Section 961. A. ~~Commencing on April 1, 2018, insurance~~
12 Insurance companies shall provide a premium discount or insurance
13 rate reduction in an amount and manner as established in subsection
14 D of this section and pursuant to ~~Section 3 of this act only when~~
15 ~~the company determines that the premium discount or rate reduction~~
16 ~~is actuarially justified and there is sufficient and credible~~
17 ~~evidence of cost savings~~ Section 963 of this title, which can be
18 attributed to the construction standards set forth in subsection B
19 of this section. A premium discount or rate reduction shall be
20 available under the terms specified in this section to any owner who
21 builds or locates a new insurable property in the State of Oklahoma
22 to resist loss due to tornado or other catastrophic windstorm
23 events. ~~Insurance companies shall be required to offer such a~~
24 ~~premium discount or rate reduction only when the insurer determines~~

1 ~~they are actuarially justified and there is sufficient and credible~~
2 ~~evidence of cost savings, which can be attributed to the~~
3 ~~construction standards set forth in subsection B of this section.~~

4 In addition, insurance companies may also offer additional
5 adjustments in deductible, other risk differentials, or a
6 combination thereof, collectively referred to as other adjustments.

7 B. To obtain the premium discount, rate reduction, or other
8 adjustment provided in this section, an insurable property located
9 in this state shall be certified as constructed in accordance with
10 Appendix ~~Y~~ X of the ~~2015~~ 2018 Oklahoma Uniform Building Code, as
11 amended, including all tornado mitigation construction requirements,
12 as long as its standards are equal to or greater than the FORTIFIED
13 Home High Wind and Hail Standards as certified by the Institute for
14 Business and Home Safety (IBHS), or the FORTIFIED Home High Wind and
15 Hail Standards as may from time to time be adopted by the Institute
16 for Business and Home Safety or successor entity. An insurable
17 property shall be certified as conforming to the applicable building
18 code only after an inspection of the insurable property has been
19 satisfactorily completed by a certified or licensed building
20 inspector and certified to be conforming to the applicable building
21 code including all high wind and hail mitigation construction
22 requirements. An insurable property shall be certified as
23 conforming to the FORTIFIED Home High Wind and Hail Standards only

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1 after evaluation and certification by an evaluator certified
2 pursuant to the FORTIFIED Home High Wind and Hail Standards.

3 C. An owner of insurable property claiming a premium discount,
4 rate reduction, or other adjustment pursuant to this section shall
5 maintain sufficient certification records and construction records
6 including, but not limited to, a certification of compliance with
7 the applicable building code or the FORTIFIED Home High Wind and
8 Hail Standards provided in subsection B of this section, receipts
9 from contractors, receipts for materials and records from local
10 building officials. The records shall be subject to audit by the
11 Insurance Commissioner, or his or her representatives, and copies of
12 any such records shall be presented to the insurer or potential
13 insurer of a property owner before the premium discount, rate
14 reduction, or other adjustment becomes effective for the insurable
15 property.

16 D. Insurers that write policies that are subject to the premium
17 discount or rate reduction in this section and that are required to
18 submit rates and rating plans to the Commissioner pursuant to
19 Section 987 of ~~Title 36 of the Oklahoma Statutes~~ this title shall
20 submit a rating plan certified by their actuary ~~as actuarially~~
21 ~~justified~~ providing for the premium discount or rate reduction
22 described in this section. An insurer is not required to provide
23 the same amount of premium discount, rate reduction, or other
24 adjustment for a building code insurable property as the insurer

1 would to an insurable property conforming to the FORTIFIED Home High
2 Wind and Hail Standards. A premium discount, rate reduction, or
3 other adjustment shall only apply to policies that provide wind or
4 hail coverage and to that portion of the premium for wind or hail
5 coverage. A premium discount, rate reduction, or other adjustment
6 shall apply exclusively to the wind and hail premium applicable to
7 improved insurable property. If an insurer already offers ~~an~~
8 ~~actuarially justified~~ a hail resistance discount, that hail-related
9 discount shall be deemed as having met the requirements of this act
10 as it pertains to hail-related discounts or rate reductions and no
11 additional hail-related discount or rate reduction shall be
12 required. If an insurer already offers ~~an actuarially justified~~ a
13 discount for IBHS FORTIFIED Home standards, that discount shall be
14 deemed as having met the requirements of this act as it pertains to
15 wind-related discounts or rate reductions and no additional wind-
16 related discount or rate reduction shall be required. Insurers
17 shall apply any applicable premium discount, rate reduction, or
18 other adjustment to the wind and hail premium at the policy renewal
19 that follows the submission of the certification to the insurer. At
20 the time of a policy renewal for which a premium discount, rate
21 reduction, or other adjustment has previously been made, the insurer
22 may request documentation or recertification that the fortified
23 standards as described in subsection C of this section continue to
24 be met. In addition to the requirements of this section, an insurer

1 may voluntarily offer any other mitigation adjustment that the
2 insurer deems appropriate.

3 SECTION 7. AMENDATORY 36 O.S. 2021, Section 962, is
4 amended to read as follows:

5 Section 962. A. ~~Commencing on April 1, 2018, insurance~~
6 Insurance companies shall provide a premium discount or insurance
7 rate reduction in an amount and manner as established in subsection
8 D of this section and pursuant to ~~Section 3 of this act only when~~
9 ~~the company determines that the premium discount or rate reduction~~
10 ~~is actuarially justified and there is sufficient and credible~~
11 ~~evidence of cost savings~~ Section 963 of this title, which can be
12 attributed to the construction standards set forth in subsection B
13 of this section. A premium discount or rate reduction shall be
14 available under the terms specified in this section to any owner who
15 retrofits his or her insurable property located in the State of
16 Oklahoma to resist loss due to tornado or other catastrophic
17 windstorm events. ~~Insurance companies shall be required to offer a~~
18 ~~premium discount or rate reduction only when the insurer has deemed~~
19 ~~the adjustments to be actuarially justified and there is sufficient~~
20 ~~and credible evidence of cost savings, which can be attributed to~~
21 ~~the construction standards set forth in subsection B of this~~
22 ~~section.~~ In addition, insurance companies may also offer additional
23 adjustments in deductible, other risk differentials, or a
24 combination thereof, collectively referred to as other adjustments.

1 B. To obtain the premium discount, rate reduction, or other
2 adjustment provided in this section, an insurable property shall be
3 retrofitted to the FORTIFIED Home High Wind and Hail Standards, as
4 may from time to time be adopted by the Institute for Business and
5 Home Safety (IBHS). Wind-Zone-3-HUD-Code manufactured homes
6 installed on a permanent foundation and retrofitted as defined in
7 the FORTIFIED Home High Wind and Hail Standards, as may from time to
8 time be adopted by the Institute for Business and Home Safety, shall
9 be eligible for the premium discount or rate reduction provided in
10 this section. An insurable property shall be certified as
11 conforming to FORTIFIED Home High Wind and Hail Standards only after
12 evaluation and certification by an evaluator certified pursuant to
13 the FORTIFIED Home High Wind and Hail Standards.

14 C. An owner of insurable property claiming a premium discount,
15 rate reduction, or other adjustment pursuant to this section shall
16 maintain sufficient certification records and construction records
17 including, but not limited to, a certification of compliance with
18 the FORTIFIED Home High Wind and Hail Standards as provided in
19 subsection B of this section, receipts from contractors, and
20 receipts for materials. The records shall be subject to audit by
21 the Insurance Commissioner, or his or her representatives, and
22 copies of any such records shall be presented to the insurer or
23 potential insurer of a property owner before the premium discount,
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1 rate reduction, or other adjustment becomes effective for the
2 insurable property.

3 D. Insurers that write policies that are subject to the premium
4 discount or rate reduction in this section and that are required to
5 submit rates and rating plans to the Commissioner pursuant to
6 Section 987 of ~~Title 36 of the Oklahoma Statutes~~ this title shall
7 submit rating plans certified by their actuary ~~as actuarially~~
8 ~~justified~~ providing for the premium discounts or rate reductions
9 described in this section. A premium discount, rate reduction, or
10 other adjustment shall only apply to policies that provide wind or
11 hail coverage and to that portion of the premium for wind or hail
12 coverage. A premium discount, rate reduction, or other adjustment
13 shall apply exclusively to the wind and hail premium applicable to
14 improved insurable property. If an insurer already offers ~~an~~
15 ~~actuarially justified~~ a hail resistance discount, that hail-related
16 discount shall be deemed as having met the requirements of this act
17 as it pertains to hail-related discounts or rate reductions and no
18 additional hail-related discount or rate reduction shall be
19 required. If an insurer already offers ~~an actuarially justified~~ a
20 discount for IBHS FORTIFIED Home standards, that discount shall be
21 deemed as having met the requirements of this act as it pertains to
22 wind-related discounts or rate reductions and no additional wind-
23 related discount or rate reduction shall be required. Insurers
24 shall apply the premium discount, rate reduction, or other

1 adjustment to the wind premium at the policy renewal that follows
2 the submission of the certification to the insurer. At the time of
3 a policy renewal for which a premium discount, rate reduction, or
4 other adjustment has previously been made, the insurer may request
5 documentation or recertification that the fortified standards as
6 described in subsection C of this section continue to be met. In
7 addition to the requirements of this section, an insurer may
8 voluntarily offer any other mitigation adjustment that the insurer
9 deems appropriate.

10 SECTION 8. AMENDATORY 36 O.S. 2021, Section 1211, is
11 amended to read as follows:

12 Section 1211. A. Any person who violates a cease and desist
13 order of the Insurance Commissioner issued and served pursuant to
14 the provisions of Section 1207 of this title, after it has become
15 final, and while such order is in effect, shall, upon proof thereof
16 to the satisfaction of the court, forfeit and pay to the State of
17 Oklahoma a civil penalty of ~~not less than One Hundred Dollars~~
18 ~~(\$100.00), nor more than One Thousand Dollars (\$1,000.00)~~ Twenty-
19 five Thousand Dollars (\$25,000.00) for each violation.

20 B. The Commissioner may also direct the person against whom the
21 order was issued to make complete restitution, in the form, manner,
22 and amount and within the time period determined by the
23 Commissioner, to all Oklahoma residents, Oklahoma insureds, and
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1 entities operating in Oklahoma damaged by the violation or failure
2 to comply.

3 SECTION 9. AMENDATORY 36 O.S. 2021, Section 1204, as
4 amended by Section 16, Chapter 360, O.S.L. 2024 (36 O.S. Supp. 2025,
5 Section 1204), is amended to read as follows:

6 Section 1204. The following are hereby defined as unfair
7 methods of competition and unfair and deceptive acts or practices in
8 the business of insurance:

9 1. Misrepresentations and false advertising of policy
10 contracts. Making, issuing, circulating, or causing to be made,
11 issued or circulated, any estimate, illustration, circular or
12 statement misrepresenting the terms of any policy issued or to be
13 issued or the benefits or advantages promised thereby or the
14 dividends or share of the surplus to be received thereon, or making
15 any false or misleading statement as to the dividends or share of
16 surplus previously paid on similar policies, or making any
17 misleading representation or any misrepresentation as to the
18 financial condition of any insurer, or as to the legal reserve
19 system upon which any life insurer operates, or using any name or
20 title of any policy or class of policies misrepresenting the true
21 nature thereof, or making any misrepresentation to any policyholder
22 insured in any company for the purpose of inducing or tending to
23 induce such policyholder to lapse, forfeit, or surrender his or her
24 insurance;

1 2. False information and advertising generally. Making,
2 publishing, disseminating, circulating, or placing before the
3 public, or causing, directly or indirectly, to be made, published,
4 disseminated, circulated, or placed before the public, in a
5 newspaper, magazine, or other publication, or in the form of a
6 notice, circular, pamphlet, letter or poster, or over any radio or
7 television station, or in any other way an advertisement,
8 announcement or statement containing any assertion, representation
9 or statement with respect to the business of insurance or with
10 respect to any person in the conduct of his or her insurance
11 business which is untrue, deceptive or misleading. No insurance
12 company shall issue, or cause to be issued, any policy of insurance
13 of any type or description upon life, or property, real or personal,
14 whenever such policy of insurance is to be furnished or delivered to
15 the purchaser or bailee of any property, real or personal, as an
16 inducement to purchase or bail such property, real or personal, and
17 no other person shall advertise, offer or give free insurance,
18 insurance without cost or for less than the approved or customary
19 rate, in connection with the sale or bailment of real or personal
20 property, except as provided in Section 4101 of this title. No
21 person that is not an insurer shall assume or use any name which
22 deceptively infers or suggests that it is an insurer;

23 3. Defamation. Making, publishing, disseminating, or
24 circulating, directly or indirectly, or aiding, abetting or

1 encouraging the making, publishing, disseminating or circulating of
2 any oral or written statement or any pamphlet, circular, article or
3 literature which is false, or maliciously critical of or derogatory
4 to the financial condition of an insurer, and which is calculated to
5 injure any person engaged in the business of insurance;

6 4. Boycott, coercion and intimidation. Entering into any
7 agreement to commit, or by any concerted action committing, any act
8 of boycott, coercion or intimidation resulting in or tending to
9 result in unreasonable restraint of, or monopoly in, the business of
10 insurance;

11 5. False financial statements. Filing with any supervisory or
12 other public official, or making, publishing, disseminating,
13 circulating or delivering to any person, or placing before the
14 public or causing directly or indirectly, to be made, published,
15 disseminated, circulated, delivered to any person or placed before
16 the public, any false statement of financial condition of an insurer
17 with intent to deceive.

18 Making any false entry in any book, report or statement of any
19 insurer with intent to deceive any agent or examiner lawfully
20 appointed to examine into its condition or into any of its affairs,
21 or any public official to whom such insurer is required by law to
22 report, or who has authority by law to examine into its condition or
23 into any of its affairs, or, with like intent, willfully omitting to
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1 make a true entry of any material fact pertaining to the business of
2 such insurer in any book, report or statement of such insurer;

3 6. Stock operations and advisory board contracts. Issuing or
4 delivering or permitting agents, officers, or employees to issue or
5 deliver agency company stock or other capital stock, or benefit
6 certificates or shares in any common-law corporation, or securities
7 or any special or advisory board contracts or other contracts of any
8 kind promising returns and profits as an inducement to insurance;

9 7. Unfair discrimination.

10 (a) Making or permitting any unfair discrimination between
11 individuals of the same class and equal expectation of
12 life in the rates charged for any contract of life
13 insurance or of life annuity or in the dividends or
14 other benefits payable thereon, or in any other of the
15 terms and conditions of such contract.

16 (b) Making or permitting any unfair discrimination between
17 individuals of the same class and of essentially the
18 same hazard in the amount of premium, policy fees, or
19 rates charged for any policy or contract of accident
20 or health insurance or in the benefits payable
21 thereunder, or in any of the terms or conditions of
22 such contract, or in any other manner whatever.

23 (c) As to kinds of insurance other than life and accident
24 and health, no person shall make or permit any unfair

1 discrimination in favor of particular persons, or
2 between insureds or subjects of insurance having
3 substantially like insuring, risk, and exposure
4 factors, or expense elements, in the terms or
5 conditions of any insurance contract, or in the rate
6 or amount of premium charged therefor. This paragraph
7 shall not apply as to any premium rate in effect
8 pursuant to Article 9 of the Oklahoma Insurance Code;

9 8. Rebates.

10 (a) Except as otherwise expressly provided by law,
11 knowingly permitting or offering to make or making any
12 contract of insurance or agreement as to such contract
13 other than as plainly expressed in the contract issued
14 thereon; or paying or allowing, or giving or offering
15 to pay, allow or give, directly or indirectly, as
16 inducement to any contract of insurance, any rebate of
17 premiums payable on the contract, or any special favor
18 or advantage in the dividends or other benefits
19 thereon, or any valuable consideration or inducement
20 whatever not specified in the contract; except in
21 accordance with an applicable rate filing, rating plan
22 or rating system filed with and approved by the
23 Insurance Commissioner; or giving or selling or
24 purchasing or offering to give, sell, or purchase as

1 inducement to such insurance, or in connection
2 therewith, any stocks, bonds or other securities of
3 any company, or any dividends or profits accrued
4 thereon, or anything of value whatsoever not specified
5 in the contract or receiving or accepting as
6 inducement to contracts of insurance, any rebate of
7 premium payable on the contract, or any special favor
8 or advantage in the dividends or other benefit to
9 accrue thereon, or any valuable consideration or
10 inducement not specified in the contract.

11 (b) Nothing in paragraph 7 or subparagraph (a) of this
12 paragraph shall be construed as including within the
13 definition of discrimination or rebates any of the
14 following practices:

15 (1) in the case of any contract of life insurance or
16 life annuity, paying bonuses to policyholders or
17 otherwise abating their premiums in whole or in
18 part out of surplus accumulated from
19 nonparticipating insurance, provided that any
20 such bonuses or abatement of premiums shall be
21 fair and equitable to policyholders and for the
22 best interest of the company and its
23 policyholders,
24

- 1 (2) in the case of life or accident and health
2 insurance policies issued on the industrial debit
3 or weekly premium plan, making allowance to
4 policyholders who have continuously for a
5 specified period made premium payments directly
6 to an office of the insurer in an amount which
7 fairly represents the saving in collection
8 expense,
- 9 (3) making a readjustment of the rate of premium for
10 a policy based on the loss or expense experience
11 thereunder, at the end of the first or any
12 subsequent policy year of insurance thereunder,
13 which may be made retroactive only for such
14 policy year,
- 15 (4) in the case of life insurance companies, allowing
16 its bona fide employees to receive a commission
17 on the premiums paid by them on policies on their
18 own lives,
- 19 (5) issuing life or accident and health policies on a
20 salary saving or payroll deduction plan at a
21 reduced rate commensurate with the savings made
22 by the use of such plan, and
- 23 (6) paying commissions or other compensation to duly
24 licensed agents or brokers, or allowing or

1 returning to participating policyholders, members
2 or subscribers, dividends, savings or unabsorbed
3 premium deposits.

4 (c) As used in this section, the word "insurance" includes
5 suretyship and the word "policy" includes bond;

6 9. Coercion prohibited. Requiring as a condition precedent to
7 the purchase of, or the lending of money upon the security of, real
8 or personal property, that any insurance covering such property, or
9 liability arising from the ownership, maintenance or use thereof, be
10 procured by or on behalf of the vendee or by the borrower in
11 connection with such purchase or loan through any particular person
12 or agent or in any particular insurer, or requiring the payment of a
13 reasonable fee as a condition precedent to the replacement of
14 insurance coverage on mortgaged property at the anniversary date of
15 the policy; provided, however, that this provision shall not prevent
16 the exercise by any such vendor or lender of the right to approve or
17 disapprove any insurer selected to underwrite the insurance, but any
18 disapproval of any insurer shall be on reasonable grounds;

19 10. Inducements. No insurer, agent, broker, solicitor, or
20 other person shall, as an inducement to insurance or in connection
21 with any insurance transaction, provide in any policy for or offer,
22 sell, buy, or offer or promise to buy, sell, give, promise, or allow
23 to the insured or prospective insured or to any other person in his
24 or her behalf in any manner whatsoever:

- 1 (a) any employment,
- 2 (b) any shares of stock or other securities issued or at
3 any time to be issued or any interest therein or
4 rights thereto,
- 5 (c) any advisory board contract, or any similar contract,
6 agreement or understanding, offering, providing for,
7 or promising any special profits,
- 8 (d) any prizes, goods, wares, merchandise, or tangible
9 property of an aggregate value in excess of One
10 Hundred Dollars (\$100.00), or
- 11 (e) any special favor, advantage or other benefit in the
12 payment, method of payment or credit for payment of
13 the premium through the use of credit cards, credit
14 card facilities, credit card lists, or wholesale or
15 retail credit accounts of another person. The
16 provisions of this paragraph shall not apply to
17 individual policies insuring against loss resulting
18 from bodily injury or death by accident as defined by
19 Article 44 of the Oklahoma Insurance Code;

20 11. Premature disposal of premium notes prohibited. No insurer
21 or agent thereof shall hypothecate, sell, or dispose of a promissory
22 note received in payment of any part of a premium on a policy of
23 insurance applied for prior to the delivery of the policy;

24

1 12. Fraudulent statement in application. Any insurance agent,
2 examining physician, or other person who knowingly or willfully
3 makes a false or fraudulent statement or representation in or
4 relative to an application for insurance, or who makes any such
5 statement to obtain a fee, commission, money, or benefit, shall be
6 guilty of a misdemeanor;

7 13. Deceptive use of financial institution's name in
8 notification or solicitation. Verbally or by any other means
9 notifying or soliciting any person in a manner that:

- 10 (a) mentions the name of an unrelated and unaffiliated
11 financial institution,
- 12 (b) mentions an insurance product or the possible lack of
13 insurance coverage,
- 14 (c) does not mention the actual or trade name of the
15 insurance agency or company on whose behalf the
16 notification or solicitation is provided, and
- 17 (d) thereby creates an impression or implication,
18 including by omission, that the financial institution
19 or a financial-institution-authorized entity is or may
20 be the one making the notification or solicitation.

21 Nothing in this paragraph shall be interpreted to prohibit the
22 reference to or use of the name of a financial institution made
23 pursuant to a contractual agreement between the insurer and the
24 financial institution; ~~and~~

1 14. No insurer or prepaid vision plan organization as defined
2 in Section 1 of this act which offers multiple prepaid vision plans
3 may require as a condition of participation in any one prepaid
4 vision plan that a vision care provider participate in any of the
5 other prepaid vision plans offered by the insurer or prepaid vision
6 plan organization; and

7 15. Insurers providing additional coverage for an additional
8 premium as an exception to ordinance or law exclusions shall
9 consider all building codes as being strictly enforced.

10 SECTION 10. AMENDATORY 36 O.S. 2021, Section 1212, is
11 amended to read as follows:

12 Section 1212. The powers vested in the Commissioner by this
13 article shall be additional to any other powers to enforce
14 penalties, fines or forfeitures authorized by law with respect to
15 ~~the methods, acts and practices hereby declared to be unfair or~~
16 ~~deceptive~~ violations of Title 36 of the Oklahoma Statutes.

17 SECTION 11. AMENDATORY 36 O.S. 2021, Section 1250.4, is
18 amended to read as follows:

19 Section 1250.4. A. An insurer's claim files shall be subject
20 to examination by the Insurance Commissioner or by duly appointed
21 designees. Such files shall contain all notes and work papers
22 pertaining to a claim in such detail that pertinent events and the
23 dates of such events can be reconstructed. In addition, the
24 Insurance Commissioner, authorized employees and examiners shall

1 have access to any of an insurer's files that may relate to a
2 particular complaint under investigation or to an inquiry or
3 examination by the Insurance Department.

4 B. Any person subject to the jurisdiction of the Commissioner,
5 upon receipt of any inquiry from the Commissioner shall, within
6 ~~twenty (20)~~ fourteen (14) calendar days from the date of receipt of
7 the inquiry, furnish the Commissioner with an adequate response to
8 the inquiry. The Commissioner may, upon good cause shown and on a
9 case-by-case basis, extend the time allowed for a response for up to
10 seven (7) additional calendar days. Any inquiry or response subject
11 to this subsection shall be delivered electronically.

12 C. Every insurer, upon receipt of any pertinent written
13 communication including but not limited to ~~e-mail~~ email or other
14 forms of written electronic communication, or documentation by the
15 insurer of a verbal communication from a claimant which reasonably
16 suggests that a response is expected, shall, within ~~thirty (30)~~
17 fourteen (14) calendar days after receipt thereof, furnish the
18 claimant with an adequate response to the communication.

19 D. Any violation by an insurer of this section shall subject
20 the insurer to discipline including a civil penalty of not ~~less than~~
21 ~~One Hundred Dollars (\$100.00)~~ nor more than ~~Five Thousand Dollars~~
22 ~~(\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00).

23
24

1 SECTION 12. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1250.4a of Title 36, unless
3 there is created a duplication in numbering, reads as follows:

4 A. The Insurance Commissioner's dispute resolution program
5 shall help consumers and insurance companies effectively,
6 economically, fairly, and timely resolve disputes with persons or
7 entities subject to the jurisdiction of the Insurance Commissioner
8 and related to insurance or service warranty claims. The dispute
9 resolution program shall be subject to the laws and protections of
10 the Dispute Resolution Act, Sections 1801 through 1813 of Title 12
11 of the Oklahoma Statutes, and the rules promulgated thereto.

12 B. Mediation may be requested only by the policyholder, as a
13 first-party claimant or the insurer.

14 C. Mediation is voluntary except that insurers shall
15 participate in any mediation requested by a first-party claimant
16 that meets the following criteria:

17 1. Involves an insurance claim under a personal residential
18 insurance policy or personal automobile insurance policy; and

19 2. No civil litigation has commenced relating to the claim to
20 be mediated.

21 D. For purposes of this section, the term "claim" refers to any
22 dispute between an insurer and a policyholder relating to a material
23 issue of fact other than a dispute:
24

1 1. With respect to which the insurer has a reasonable basis to
2 suspect fraud;

3 2. When, based on all the information presented to the
4 Insurance Commissioner as to the cause of loss, there appears to be
5 no coverage under the policy;

6 3. With respect to which the insurer has a reasonable basis to
7 believe that the policyholder has intentionally made a material
8 misrepresentation of fact which is relevant to the claim, and the
9 entire request for payment of a loss has been denied on the basis of
10 the material misrepresentation;

11 4. When, based on all of the information presented to the
12 Insurance Commissioner, the policyholder appears to have suffered no
13 actual monetary or property loss;

14 5. When a claim is outside the time frames prescribed in
15 applicable law; or

16 6. When a claim has been paid in full prior to any mediation
17 conference held pursuant to this section.

18 E. A claim shall not be eligible for mediation unless it has
19 first been submitted and fully processed through the Oklahoma
20 Insurance Department's consumer complaint program.

21 F. All parties to the mediation must negotiate in good faith to
22 resolve the dispute and must have the authority to immediately
23 settle the claim; however, there is no requirement that the dispute
24 be resolved in mediation. If a written settlement is reached and

1 the policyholder is not represented by an attorney, the policyholder
2 has three (3) business days within which the policyholder may
3 rescind the settlement unless the policyholder has cashed or
4 deposited any check, draft, or other payment made to the
5 policyholder as a result of the settlement. If a settlement
6 agreement is reached and is not rescinded, it shall be binding and
7 act as a release of all specific claims presented in the mediation
8 conference.

9 G. The mediation conference shall be held as scheduled by the
10 dispute resolution program coordinator. Upon application by any
11 party for a continuance, the program coordinator shall, for good
12 cause shown or if neither party objects, grant a continuance and
13 shall notify all parties of the date and place of the rescheduled
14 conference. Good cause also includes severe illness, injury, or
15 other emergency that could not be controlled by the party and could
16 not reasonably be remedied by the party prior to the conference by
17 providing a replacement representative or otherwise. Good cause
18 includes the necessity of obtaining additional information, securing
19 the attendance of a necessary professional, or the avoidance of
20 significant financial hardship. If the policyholder demonstrates to
21 the mediator the need for an expedited mediation conference due to
22 an undue hardship, the conference shall be conducted at the earliest
23 date convenient to all of the parties and the mediator. Undue
24 hardship will be demonstrated when holding the conference on a non-

1 expedited basis would interfere with or contradict the treatment of
2 a severe illness or injury, substantially impair a party's ability
3 to assert their position at the conference, result in significant
4 financial hardship, or other reasonably justified grounds.

5 H. An insurer will be deemed to have failed to appear if the
6 insurer's representative lacks authority to settle the full value of
7 the claim. The authority to settle the claim includes the ability
8 to disburse the full settlement amount within ten (10) days of the
9 conclusion of the conference. The insurer shall produce at the
10 conference a copy of the policy.

11 I. Any violation by an insurer of this section shall subject
12 the insurer to discipline including a civil penalty of not more than
13 Ten Thousand Dollars (\$10,000.00), in addition to any other
14 penalties provided for by law.

15 J. The Insurance Commissioner may adopt and promulgate rules
16 for the implementation and administration of this section,
17 including, but not limited to, the amount and who is responsible for
18 the payment of any fees in the event costs of the program are not
19 fully covered by the Administrative Office of the Courts, and the
20 expansion or restriction of eligibility criteria for claims subject
21 to mandatory and voluntary mediation under this section.

22 SECTION 13. AMENDATORY 36 O.S. 2021, Section 1250.6, is
23 amended to read as follows:

24

1 Section 1250.6. A. Every property and casualty insurer, within
2 ~~thirty (30)~~ fourteen (14) days after receiving notification of a
3 claim, shall acknowledge the receipt of such notification unless
4 payment is made within such period of time. If an acknowledgement
5 is made by means other than writing, an appropriate notation of such
6 acknowledgement shall be made in the claim file of the property and
7 casualty insurer, and dated. Notification given to an agent of a
8 property and casualty insurer shall be notification to the insurer.
9 The acknowledgment shall include the Homeowner Claims Bill of Rights
10 set forth in Section 9 of this act.

11 B. Every property and casualty insurer, upon receiving
12 notification of a claim, promptly shall provide necessary claim
13 forms, instruction, and reasonable assistance so that first-party
14 claimants can comply with the policy conditions and the reasonable
15 requirements of the property and casualty insurer. Compliance with
16 this ~~paragraph~~ subsection within thirty (30) days after notification
17 of a claim shall constitute compliance with subsection A of this
18 section.

19 C. Every property and casualty insurer must send the
20 policyholder a copy of any detailed estimate of the amount of the
21 loss within seven (7) days after the estimate is generated by an
22 insurer's adjuster. This subsection does not require that an
23 insurer create a detailed estimate of the amount of the loss if such
24

1 estimate is not reasonably necessary as part of the claim
2 investigation.

3 SECTION 14. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1250.6a of Title 36, unless
5 there is created a duplication in numbering, reads as follows:

6 A. An insurer issuing a personal lines residential property
7 insurance policy in this state must provide a Homeowner Claims Bill
8 of Rights to a policyholder within fourteen (14) days after
9 receiving an initial communication with respect to a claim. The
10 purpose of the bill of rights is to summarize, in simple,
11 nontechnical terms, existing Oklahoma law regarding the rights of a
12 personal lines residential property insurance policyholder who files
13 a claim of loss. The Homeowner Claims Bill of Rights is specific to
14 the claims process and does not represent all of a policyholder's
15 rights under Oklahoma law regarding the insurance policy. The
16 Homeowner Claims Bill of Rights does not enlarge, modify, or
17 contravene statutory requirements, including, but not limited to,
18 Sections 1204, 1250.6, 1250.7, and 6202 of Title 36 of the Oklahoma
19 Statutes and OAC 365:1-11, and does not prohibit an insurer from
20 exercising any right to repair damaged property in compliance with
21 the terms of an applicable policy. The Homeowner Claims Bill of
22 Rights must, at a minimum, state:

23 HOMEOWNER CLAIMS BILL OF RIGHTS
24

1 This Bill of Rights is specific to the claims process and
2 does not represent all of your rights under Oklahoma law
3 regarding your policy. This document does not prohibit an
4 insurer from exercising any right to repair damaged
5 property in compliance with the terms of an applicable
6 policy.

7 YOU HAVE THE RIGHT TO:

8 1. Receive from your insurance company an acknowledgment of
9 your reported claim within fourteen (14) days after the time you
10 communicated the claim.

11 2. Receive from your insurance company within thirty (30) days
12 after you have submitted an executed proof of loss statement to your
13 insurance company, confirmation that your claim is accepted or
14 denied or if further investigation is necessary.

15 3. Receive from your insurance company a copy of any detailed
16 estimate of the amount of the loss within seven (7) days after the
17 estimate is generated by the insurance company's adjuster.

18 4. Receive from your insurance company within sixty (60) days
19 after you have submitted an executed proof of loss statement either:

- 20 a. full settlement payment for your claim or payment of
21 the undisputed portion of your claim,
22 b. denial of your claim, or
23 c. notice that the insurer needs more time to investigate
24 the claim and stating the reasons why.

1 4. Carefully read any contract that requires you to pay out-of-
2 pocket expenses or a fee that is based on a percentage of the
3 insurance proceeds that you will receive for repairing or replacing
4 your property.

5 5. Confirm that the contractor you choose is licensed to do
6 business in Oklahoma. You can verify a contractor's license and
7 check to see if there are any complaints against him or her by using
8 the Oklahoma Construction Industries Board's website. You should
9 also ask the contractor for references from previous work.

10 6. Require all contractors to provide proof of insurance before
11 beginning repairs.

12 7. Take precautions if the damage requires you to leave your
13 home, including securing your property and turning off your gas,
14 water, and electricity, and contacting your insurance company and
15 provide a phone number where you can be reached.

16 B. Any violation of this section shall be a violation of the
17 Unfair Claims Settlement Practices Act, and the Insurance
18 Commissioner may, after notice and opportunity for a hearing,
19 subject an insurer to the civil penalties set forth in Sections
20 1250.13 and 1250.14 of this title, along with any other penalties
21 set forth in applicable law.

22 SECTION 15. AMENDATORY 36 O.S. 2021, Section 1250.7, is
23 amended to read as follows:

24

1 Section 1250.7. A. Within ~~sixty (60)~~ thirty (30) days after
2 receipt by a property and casualty insurer of properly executed
3 proofs of loss, the first-party claimant shall be advised of the
4 acceptance or denial of the claim by the insurer, or if further
5 investigation is necessary. No property and casualty insurer shall
6 deny a claim because of a specific policy provision, condition, or
7 exclusion unless reference to such provision, condition, or
8 exclusion is included in the denial. A denial shall be given to any
9 claimant in writing, and the claim file of the property and casualty
10 insurer shall contain a copy of the denial. If there is a
11 reasonable basis supported by specific information available for
12 review by the Commissioner that the first-party claimant has
13 fraudulently caused or contributed to the loss, a property and
14 casualty insurer shall be relieved from the requirements of this
15 subsection. In the event of a weather-related catastrophe or a
16 major natural disaster, as declared by the Governor, the Insurance
17 Commissioner may extend the deadline imposed under this subsection
18 an additional twenty (20) days.

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

24

1 C. Every property and casualty insurer shall complete
2 investigation of a claim within sixty (60) days after notification
3 of proof of loss unless such investigation cannot reasonably be
4 completed within such time. If such investigation cannot be
5 completed, or if a property and casualty insurer needs more time to
6 determine whether a claim should be accepted or denied, it shall ~~se~~
7 notify the claimant in writing within sixty (60) days after receipt
8 of the proofs of loss, giving reasons why more time is needed. ~~If~~
9 ~~the investigation remains incomplete, a property and casualty~~
10 ~~insurer shall, within sixty (60) days from the date of the initial~~
11 ~~notification, send to such claimant a letter setting forth the~~
12 ~~reasons additional time is needed for investigation.~~ Except for an
13 investigation of possible fraud or arson which is supported by
14 specific information giving a reasonable basis for the
15 investigation, the time for investigation shall not exceed ~~one~~
16 ~~hundred twenty (120)~~ ninety (90) days after receipt of proof of
17 loss. Provided, in the event of a weather-related catastrophe or a
18 major natural disaster, as declared by the Governor, the Insurance
19 Commissioner may extend this deadline for investigation an
20 additional twenty (20) days.

21 D. Within the applicable timelines set forth in subsection C of
22 this section, the insurer shall pay or deny such claim. If the
23 insurer's claim payment is less than specified in any insurer's
24 detailed estimate pursuant to subsection C of Section 1250.6 of this

1 title of the amount of the loss, the insurer must provide a
2 reasonable explanation in writing of the difference to the
3 policyholder. Any untimely payment of an initial or supplemental
4 claim or portion of such claim shall bear simple interest at the
5 rate of ten percent (10%) per year. Interest begins to accrue from
6 the date the insurer receives notice of the claim. The provisions
7 of this subsection may not be waived, voided, or nullified by the
8 terms of the insurance policy. If there is a right to prejudgment
9 interest, the insured must select whether to receive prejudgment
10 interest or interest under this subsection. Interest is payable
11 when the claim or portion of the claim is paid. Failure to comply
12 with this subsection constitutes a violation of this code. However,
13 failure to comply with this subsection does not form the sole basis
14 for a private cause of action.

15 E. Insurers shall not fail to settle first-party claims on the
16 basis that responsibility for payment should be assumed by others
17 except as may otherwise be provided by policy provisions.

18 ~~E.~~ F. Insurers shall not continue or delay negotiations for
19 settlement of a claim directly with a claimant who is neither an
20 attorney nor represented by an attorney, for a length of time which
21 causes the claimant's rights to be affected by a statute of
22 limitations, or a policy or contract time limit, without giving the
23 claimant written notice that the time limit is expiring and may
24 affect the claimant's rights. Such notice shall be given to first-

1 party claimants and third-party claimants one (1) year after the
2 date of the loss.

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

8 ~~G.~~ H. If a lawsuit on the claim is initiated, the time limits
9 provided for in this section shall not apply.

10 I. If an insurer denies a homeowner's claim, in whole or in
11 part, based solely on the use of video recordings or photographs of
12 the loss using aerial imaging, including drones, driverless vehicle,
13 or other machine that can move independently or through remote
14 control, the insurer shall establish, if not already existing, a
15 process allowing the insured to appeal such denial within at least
16 thirty (30) days of the insured's receipt of the insurer's full and
17 final determination on the claim. The insurer's evaluation of an
18 appeal pursuant to this subsection shall include an in-person
19 inspection of the loss. A determination on the appeal shall be
20 completed, and the insured notified, within thirty (30) days of the
21 request of the appeal.

22 SECTION 16. AMENDATORY 36 O.S. 2021, Section 1250.14, is
23 amended to read as follows:

24

1 Section 1250.14. A. For any violation of the Unfair Claims
2 Settlement Practices Act, the Insurance Commissioner may, after
3 notice and hearing, subject an insurer to a civil penalty of not
4 ~~less than One Hundred Dollars (\$100.00) nor more than Five Thousand~~
5 ~~Dollars (\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00) for each
6 occurrence. In addition to or in lieu of any fine amount, the
7 Insurance Commissioner may refuse to renew, suspend, put on
8 probation, or revoke an insurer's certificate of authority, license,
9 or any other registration or similar approval to conduct business in
10 Oklahoma issued by the Insurance Commissioner. Such civil penalty
11 may be enforced in the same manner in which civil judgments may be
12 enforced.

13 B. The Insurance Commissioner may also direct the insurer
14 against whom the order was issued to make complete restitution, in
15 the form, manner, and amount and within the time period determined
16 by the Commissioner, to all Oklahoma residents, Oklahoma insureds,
17 and entities operating in Oklahoma damaged by the violation or
18 failure to comply.

19 SECTION 17. AMENDATORY 36 O.S. 2021, Section 3639.1, is
20 amended to read as follows:

21 Section 3639.1. A. No insurer shall cancel, refuse to renew or
22 otherwise terminate, or increase the premium of a homeowner's
23 insurance policy or any other personal residential insurance
24 coverage, which has been in effect more than forty-five (45) days,

1 solely because the insured filed a first claim against the policy or
2 submitted any number of inquiries on the policy.

3 B. No insurer shall cancel, refuse to renew or otherwise
4 terminate, or increase the premium of a homeowner's insurance policy
5 or any other personal residential insurance coverage, including, but
6 not limited to, flood insurance, because of a claim that occurred
7 more than five (5) years before the effective date of the policy or
8 renewal. No insurer shall refuse to underwrite risk for a
9 homeowner's insurance policy or any other personal residential
10 insurance coverage, including, but not limited to, flood insurance,
11 because of a claim that occurred more than five (5) years before the
12 date of application.

13 C. No insurer shall cancel, refuse to renew or otherwise
14 terminate, or increase the premium of a homeowner's insurance policy
15 or any other personal residential insurance coverage, including, but
16 not limited to, flood insurance, based on the claims history of an
17 insured for weather-related claims, unless there were three or more
18 weather-related claims within the preceding three-year period. This
19 subsection shall not apply to claims for weather-related events for
20 which the insurer provided written notice to the insured for
21 reasonable or customary repairs or replacement specific to the
22 insured's premises or dwelling which the insured failed to make and
23 which, if made, would have prevented the loss for which a claim was
24 made.

1 D. The provisions of this section shall not be construed to
2 prevent the cancellation, nonrenewal or increase in premium of a
3 homeowner's insurance policy for the following reasons:

4 1. Nonpayment of premium;

5 2. Discovery of fraud or material misrepresentation in the
6 procurement of the insurance or with respect to any claims submitted
7 thereunder;

8 3. Discovery of willful or reckless acts or omissions on the
9 part of the named insured which increase any hazard insured against;

10 4. A change in the risk which substantially increases any
11 hazard insured against after insurance coverage has been issued or
12 renewed;

13 5. Violation of any local fire, health, safety, building, or
14 construction regulation or ordinance with respect to any insured
15 property or the occupancy thereof which substantially increases any
16 hazard insured against;

17 6. A determination by the Insurance Commissioner that the
18 continuation of the policy would place the insurer in violation of
19 the insurance laws of this state; or

20 7. Conviction of the named insured of a crime having as one of
21 its necessary elements an act increasing any hazard insured against.

22 ~~B.~~ E. An insurer shall give to the named insured at the mailing
23 address shown on a homeowner's policy, a written renewal notice that
24 shall include new premium, new deductible, new limits or coverage at

1 least thirty (30) days prior to the expiration date of the policy.
2 If the insurer fails to provide such notice, the premium,
3 deductible, limits and coverage provided to the named insurer prior
4 to the change shall remain in effect until notice is given or until
5 the effective date of replacement coverage obtained by the named
6 insured, whichever occurs first. If notice is given by mail, the
7 notice shall be deemed to have been given on the day the notice is
8 mailed. If the insured elects not to renew, any earned premium for
9 the period of extension of the terminated policy shall be calculated
10 pro rata at the lower of the current or previous year's rate. If
11 the insured accepts the renewal, the premium increase, if any, and
12 other changes shall be effective the day following the prior
13 policy's expiration or anniversary date.

14 ~~E.~~ F. In the event an insured cancels a homeowner's insurance
15 policy or any other personal residential insurance coverage, written
16 notice shall be provided by the insured to the insurer that provided
17 the coverage being canceled. The notice of cancellation shall
18 provide the date of the cancellation of the policy and the insurer
19 shall reimburse the insured for any premiums paid for coverage
20 beyond the date of cancellation of the policy.

21 ~~D.~~ G. An insurer canceling a policy under subsection ~~E.~~ F. of
22 this section shall not be liable for claims arising after the date
23 of cancellation.

24

1 H. If an insurer denies a homeowner's claim, in whole or in
2 part, reduces coverage, refuses to issue, or refuses to renew a
3 homeowner's policy based solely on the use of video recordings or
4 photographs of the loss using aerial imaging, including drones,
5 driverless vehicle, or other machine that can move independently or
6 through remote control, the insurer shall establish, if not already
7 existing, a process allowing the homeowner to appeal such denial
8 within at least thirty (30) days of the homeowner's receipt of the
9 insurer's full and final determination on the claim or decision to
10 reduce coverage, refusal to issue, or refusal to renew the
11 homeowner's policy. The insurer's evaluation of an appeal pursuant
12 to this subsection shall include an in-person inspection of the
13 loss. A determination on the appeal shall be completed, and the
14 homeowner notified, within thirty (30) days of the request of the
15 appeal.

16 I. An insurer shall not reduce coverage, refuse to issue, or
17 refuse to renew a homeowner's policy insuring a residential
18 structure with a roof that is less than fifteen (15) years old
19 solely because of the age of the roof.

20 J. 1. For a roof that is at least fifteen (15) years old, an
21 insurer must allow a homeowner to have a roof inspection performed
22 by an authorized inspector at the homeowner's expense before
23 requiring the replacement of the roof of a residential structure as
24 a condition of issuing or renewing a homeowner's insurance policy.

1 The insurer may not refuse to issue or refuse to renew a homeowner's
2 insurance policy solely because of roof age if an inspection of the
3 roof of the residential structure performed by an authorized
4 inspector indicates that the roof has five (5) years or more of
5 useful life remaining.

6 2. As used in this section, the term "authorized inspector"
7 means an inspector who is approved by the insurer and who is:

- 8 a. a licensed adjuster as defined in Section 6202 of this
9 title,
- 10 b. a licensed home inspector as defined in Section 858-
11 622 of Title 59 of the Oklahoma Statutes,
- 12 c. a building code inspector certified under Section
13 1000.23 of Title 59 of the Oklahoma Statutes,
- 14 d. a registered roofing contractor pursuant to Section
15 1151.3 of Title 59 of the Oklahoma Statutes,
- 16 e. a professional engineer licensed under Section 475.12a
17 of Title 59 of the Oklahoma Statutes, or
- 18 f. a professional architect licensed under Section 46.8a
19 of Title 59 of the Oklahoma Statutes.

20 3. For purposes of this section, a roof's age shall be
21 calculated using the last date on which one hundred percent (100%)
22 of the roof's surface area was built or replaced in accordance with
23 the building code in effect at that time or the initial date of a
24 partial roof replacement with subsequent partial roof builds or

1 replacements that result in one hundred percent (100%) of the roof's
2 surface area being built or replaced.

3 K. For purposes of subsection A, the following definitions
4 shall apply:

5 1. "Claim" means a contact with an insurer by an insured or
6 thirty party, as an assignee of the policy benefits, for the purpose
7 of seeking payment. A claim shall not include a report of loss by
8 the insured or any subsequent inquiries or inspection of loss if:

9 a. no payment if made,

10 b. the report of loss is withdrawn by the insured, or

11 c. coverage is denied by the insurer, and

12 2. "Inquiry" means a request for information regarding the
13 terms, conditions, or coverages offered under a property and
14 casualty insurance policy that does not result in a claim.

15 SECTION 18. This act shall become effective November 1, 2026.

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