

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1913

By: Reinhardt

AS INTRODUCED

An Act relating to insurance; amending 12 O.S. 2021, Section 1804, which relates to written consent to dispute resolution proceedings; providing certain exception; defining term; establishing provisions of certain dispute resolution program; establishing certain requirements for insurer to participate in certain mediation; establishing certain claims as not eligible; requiring certain negotiation in good faith; establishing certain requirements for rescinding certain settlement; establishing certain settlement agreements as binding; requiring certain mediation conference; establishing requirements for good cause; allowing conference to be expedited in certain situations; establishing requirements for insurers to be deemed to have appeared; establishing certain civil penalty; allowing Insurance Commissioner to promulgate rules; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 12 O.S. 2021, Section 1804, is amended to read as follows:

Section 1804. A. Prior to commencement of any dispute resolution proceedings, the disputing parties shall enter into a written consent which specifies the method by which the parties shall attempt to resolve the issues in dispute.

1 B. The written consent shall be in a form prescribed by the
2 Administrative Director of the Courts and shall include the
3 following:

4 1. The rights and obligations of all parties pursuant to the
5 provisions of the Dispute Resolution Act; and

6 2. The confidentiality of the proceedings.

7 C. If the parties agree to have the resolution reduced to
8 written form, a copy shall be provided to the parties.

9 D. An alternative dispute resolution pursuant to Section 2 of
10 this act shall not be subject to the provisions of this section.

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

14 A. For purposes of this section, "claim" means any dispute
15 between an insurer and a policyholder relating to a material issue
16 of fact other than a dispute:

17 1. Where the insurer has a reasonable basis to suspect fraud;

18 2. When there is no coverage under the policy based on
19 presented facts as to the cause of loss;

20 3. Where the insurer has a reasonable basis to believe that the
21 policyholder has intentionally made a material misrepresentation of
22 fact which is relevant to the claim, and the entire request for
23 payment of a loss has been denied on the basis of the material
24 misrepresentation;

1 4. When the policyholder suffers no actual monetary or property
2 loss, based on presented facts;

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

5 6. When a claim has been paid in full prior to any mediation
6 session held pursuant to this section.

7 B. The Insurance Commissioner's dispute resolution program
8 shall assist consumers and insurance companies effectively,
9 economically, and fairly, and timely resolve disputes with persons
10 or entities subject to the jurisdiction of the Insurance
11 Commissioner and related to insurance or service warranty claims.
12 Such dispute resolution period shall be subject to the provisions of
13 Sections 1801 through 1813 of Title 12 of the Oklahoma Statutes.

14 C. Mediation may be requested only by the policyholder as a
15 first-party claimant, a third party as an assignee of the policy
16 benefits, or the insurer.

17 D. Mediation shall be voluntary for insurers except when the
18 assignee of the policy benefits, by a first-party claimant or third-
19 party claimant, for mediation that:

20 1. Involves an insurance claim under a residential or
21 commercial residential or automobile insurance policy; and

22 2. Has not commenced civil litigation relating to the claim to
23 be mediated.

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

4 F. All parties to the mediation shall negotiate in good faith
5 to resolve the dispute and shall have the authority to immediately
6 settle the claim. The dispute shall not be required to be resolved
7 in mediation. If a written settlement is reached and the
8 policyholder is not represented by an attorney, the policyholder
9 shall have three (3) business days in which the policyholder may
10 rescind the settlement unless such policyholder has cashed or
11 deposited any check, draft, or other payment made to the
12 policyholder as a result of the settlement. If a settlement
13 agreement is reached and is not rescinded, it shall be binding as a
14 release of all specific claims presented in the mediation
15 conference.

16 G. 1. A mediation conference shall be held as scheduled by the
17 dispute resolution program coordinator. Upon application by any
18 party for continuance, the program coordinator shall, for good cause
19 shown or if neither party objects, grant a continuance and shall
20 notify all parties of the date and place of the rescheduled
21 conference. Good cause shall include:

- 22 a. severe illness, injury, or other emergency that could
23 not be controlled by the party and could not
24 reasonably be remedied by the party prior to the
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1 conference by providing a replacement representative,
2 or

3 b. the necessity of obtaining additional information,
4 securing the attendance of a necessary professional,
5 or the avoidance of significant financial hardship.

6 2. If the policyholder demonstrates to the mediator the need
7 for expedited mediation conference due to an undue hardship, the
8 conference shall be conducted at the earliest date convenient to all
9 of the parties and the mediator. Undue hardship shall be
10 demonstrated if holding the conference on a non-expedited basis
11 would interfere with or contradict the treatment of a severe illness
12 or injury, substantially impair a party's ability to assert their
13 position at the conference, result in significant financial
14 hardship, or other reasonably justified grounds.

15 H. An insurer shall be deemed to have failed to appear if the
16 insurer's representative lacks authority to settle the full value of
17 the claim. The authority to settle a claim shall include the
18 ability to disburse the full settlement amount within ten (10) days
19 of the conclusion of the conference. The insurer shall produce at
20 the conference a copy of the policy and shall bring the entire
21 claims file to such conference.

22 I. Any violation of this section by an insurer shall subject
23 the insurer to discipline including a civil penalty not less than
24

1 One Hundred Dollars (\$100.00), in addition to any other penalties
2 provided by law.

3 J. The Commissioner shall be authorized to promulgate rules
4 necessary for the enforcement of the provisions of this section.

5 SECTION 3. This act shall become effective November 1, 2026.

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