

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 2038

By: Goodwin

AS INTRODUCED

An Act relating to health insurance; defining terms; prohibiting issue of certain outcomes by artificial intelligence; prohibiting certain health insurance issuer from issuing certain outcome from the use of certain AI system; requiring certain decisions to be reviewed by certain licensed health care provider; requiring certain health insurance issuer to provide certain disclosure to certain claimant; allowing certain promulgation of rules by Insurance Commissioner; allowing Commissioner to investigate and review use of AI by certain issuer; providing for codification; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6568 of Title 36, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Adverse consumer outcome" means a decision by a health insurance issuer that is subject to insurance regulatory standards enforced by the Insurance Department that adversely impacts the consumer in a manner that violates those standards or any claim denial;

1 2. "AI system" means a machine-based system that can, with
2 varying levels of autonomy, for a given set of objectives, generate
3 outputs such as productions, recommendations, content such as text,
4 images, videos, or sounds, or other outputs influencing decisions
5 made in real or virtual environments. AI system includes the term
6 artificial intelligence;

7 3. "Artificial intelligence" means a computer system, program,
8 or set of algorithms capable of performing tasks on producing
9 outposts that imitate intelligent human behaviors;

10 4. "Health insurance coverage" means benefits consisting of
11 medical care and items and services paid for as medical care,
12 provided directly, through insurance or through reimbursement, under
13 any hospital or medical service policy or certificate, hospital or
14 medical service plan contract, or health maintenance organization
15 contract offered by a health insurance issuer;

16 5. "Health insurance issuer" means the same as described in
17 Section 103 of Title 36 of the Oklahoma Statutes; and

18 6. "Medical necessity" means the same as defined in Section
19 7310 of Title 63 of the Oklahoma Statutes.

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 6569 of Title 36, unless there
22 is created a duplication in numbering, reads as follows:

23 A. A licensed professional shall issue any final adverse
24 consumer outcome issued by a health insurance issuer. A health
25

1 insurance issuer authorized to do business in this state shall not
2 issue an adverse consumer outcome with regard to denial, reduction,
3 or termination of health insurance coverage or benefits that results
4 from the use or application of any AI system. Any review process
5 concerning denial, reduction, or termination of insurance plans or
6 benefits that results from the use of AI systems shall be reviewed
7 by a licensed professional and all such final decisions shall be
8 issued by a licensed professional. A health insurance issuer shall
9 provide a disclosure notice to the claimant that such final decision
10 was issued by a professional, not an AI system.

11 B. No insurer shall issue a final adverse consumer outcome on a
12 claim without consulting with the claimant's provider on medical
13 necessity. All final decisions on medical necessity shall be made
14 by a licensed health care provider, not an insurer. Such provider
15 shall have the opportunity to review all non-privileged information
16 relating to such claim.

17 C. The Commissioner may investigate and review the development,
18 investigation, and use of AI systems necessary to ensure compliance
19 with this act.

20 D. Any insurer who violates any provisions of this act may be
21 subject to a fine not more than Ten Thousand Dollars (\$10,000.00)
22 per violation.

23 E. The Commissioner may promulgate rules necessary to enforce
24 the provisions of this act.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this resolution shall take effect and be in full force from and after its passage and approval.

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