

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1913

6 By: Reinhardt of the Senate

7 and

8 Tedford of the House

9 COMMITTEE SUBSTITUTE

10 An Act relating to insurance; amending 12 O.S. 2021,
11 Section 1804, which relates to written consent to
12 dispute resolution proceedings; exempting certain
13 proceedings from certain requirements; requiring
14 certain insurers to file certain supplemental report
15 with Insurance Department; requiring certain
16 supplemental reports to be treated as certain working
17 papers and documents; allowing Insurance Commissioner
18 to use certain supplemental report to assist in
19 certain determinations; allowing Commissioner to
20 subject certain insurer to certain civil penalty;
21 amending Section 7, Chapter 345, O.S.L. 2024 (36 O.S.
22 Supp. 2025, Section 322), which relates to violations
23 and penalties; increasing certain penalty amount;
24 allowing Commissioner to suspend or revoke certain
approvals issued by the Commissioner; allowing
Commissioner to direct certain person to make certain
restitution; amending 36 O.S. 2021, Section 908, as
amended by Section 2, Chapter 195, O.S.L. 2024 (36
O.S. Supp. 2025, Section 908), which relates to
administrative penalties; increasing civil penalty;
allowing Commissioner to suspend or revoke certain
approvals issued by the Commissioner; allowing
Commissioner to direct certain person to make certain
restitution; amending 36 O.S. 2021, Sections 942 and
943, which relate to motor vehicle policies;
prohibiting certain rates to be based on certain
records; prohibiting insurers from terminating
certain policy due to first claim; construing
provisions; amending 36 O.S. 2021, Sections 961 and
962, which relate to premium discount or rate

1 reduction for resistance to certain tornado or other
2 wind events; removing limitations on certain premium
3 discounts; removing requirements that certain
4 insurers offer certain rate reductions only when
5 actuarially justified; amending 36 O.S. 2021, Section
6 1204, as amended by Section 16, Chapter 360, O.S.L.
7 2024 (36 O.S. Supp. 2025, Section 1204), which
8 relates to unfair methods of competition and unfair
9 and deceptive acts or practices; allowing
10 Commissioner to order certain restitution; amending
11 36 O.S. 2021, Sections 1211 and 1212, which relate to
12 civil penalties and provisions of act; increasing
13 certain civil penalty; allowing Commissioner to
14 direct certain person to make certain restitution;
15 increasing Commissioner's scope of power; amending 36
16 O.S. 2021, Section 1250.4, which relate to claim
17 files, examination, and response to inquiries;
18 decreasing certain time period to furnish
19 Commissioner with certain inquiry response;
20 increasing certain civil penalty amount; decreasing
21 certain time period to advise insured of certain
22 claim acceptance or denial; defining term;
23 establishing provisions of certain dispute resolution
24 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; amending 36 O.S. 2021, Section
1250.6, which relates to property and casualty
insurance; requiring certain acknowledgment to
include certain provisions; requiring certain insurer
to send certain policyholder a copy of certain
detailed estimate within certain time period;
construing provisions; requiring certain insurer to
provide certain Homeowners Claims Bill of Rights to
certain policyholder within certain time period;
establishing certain violations; creating certain
Homeowners Claims Bill of Rights; amending 36 O.S.
2021, Sections 1250.7 and 1250.14, which relate to

1 property and casualty insurer denial or acceptance of
2 claim and violation of Unfair Claims Settlement
3 Practices Act; decreasing certain time period for
4 first-party claimant to be advised of certain
5 acceptance or denial of claim; requiring certain
6 notice to claimant to be submitted in writing;
7 removing requirement that certain insurer send
8 certain letter due to incomplete investigation;
9 limiting certain time period in which certain
10 investigation is to occur; requiring certain insurer
11 to pay or deny certain claim within certain time
12 period; requiring insurer to provide in writing
13 certain explanation if certain claim is less than
14 certain amount; requiring certain untimely payment to
15 bear certain simple interest; requiring insurer to
16 establish certain appeal process for denial of claim
17 based solely on certain video recordings or
18 photographs using certain machines; increasing
19 certain civil penalty; allowing Commissioner to
20 suspend or revoke certain approvals issued by the
21 Commissioner; allowing Commissioner to direct certain
22 person to make certain restitution; amending 36 O.S.
23 2021, Section 3639.1, which relates to personal
24 residential insurance cancellation, nonrenewal, or
increase in premium for filing first claim; defining
term; requiring insurer to establish certain appeal
process for denial of claim based solely on certain
video recordings or photographs using certain
machines; prohibiting certain insurer from reducing,
refusing to issue, or refusing to renew certain
policy solely due to age of roof or weather-related
claims; allowing certain roof inspection before
requiring certain replacement of roof as a condition
of certain policy renewal; prohibiting insurer from
refusing to issue or renew certain policy if certain
roof has certain years of useful life remaining;
establishing certain roof age calculation; updating
statutory language; updating statutory references;
providing for codification; and providing an
effective date.

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

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

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

7 B. The written consent shall be in a form prescribed by the
8 Administrative Director of the Courts and shall include the
9 following:

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

12 2. The confidentiality of the proceedings.

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

15 D. An alternative dispute resolution proceeding conducted
16 pursuant to Section 13 of this act shall not be subject to the
17 requirements of this section.

18 SECTION 2. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 311.5 of Title 36, unless there
20 is created a duplication in numbering, reads as follows:

21 A. On a quarterly basis, beginning March 31, 2027, each insurer
22 authorized to write personal and commercial property insurance in
23 this state shall file with the Insurance Department a supplemental
24 report with information regarding personal and commercial

1 residential property insurance policies in this state. Such report
2 shall:

3 1. Be filed electronically in the manner and form prescribed by
4 the Insurance Commissioner in accordance with any instructions from
5 the Department;

6 2. Include separate information for personal lines property
7 policies and for commercial lines property policies; and

8 3. Include the following information for each zip code,
9 monthly:

10 a. the total number of policies in force at the end of
11 each month,

12 b. the total number of policies canceled,

13 c. the total number of policies not renewed,

14 d. the total number of new policies written,

15 e. the total written premium,

16 f. if such insurer is actively writing policies,

17 g. the number of policies that exclude wind coverage,

18 h. the number of new claims open during each month,

19 i. the number of claims closed during each month,

20 j. the number of claims pending at the end of each month,

21 and

22 k. the number of claims in which either the insurer or
23 insured invoked any form of alternative dispute
24 resolution.

1 B. Supplemental quarterly reports filed with the Commissioner
2 pursuant to this section shall be treated as working papers and
3 documents pursuant to subsection F of Section 309.4 of Title 36 of
4 the Oklahoma Statutes.

5 C. The Insurance Commissioner may use supplemental quarterly
6 reports to assist in determining whether a market conduct
7 examination or investigation of an insurer should be conducted. For
8 the purposes of completing a market conduct examination of any
9 company pursuant to Sections 309.1 through 309.7 of Title 36 of the
10 Oklahoma Statutes, the Commissioner may use supplemental quarterly
11 reports or amendments or addendums to such reports to assist in
12 determining compliance with the laws of this state and rules adopted
13 by the Commissioner.

14 D. The Commissioner may, after notice and opportunity to be
15 heard for an insurer, subject such insurer to a civil penalty of up
16 to One Thousand Dollars (\$1,000.00) for each occurrence of a
17 violation of the provisions of this section, along with any other
18 penalties set forth in state law.

19 SECTION 3. AMENDATORY Section 7, Chapter 345, O.S.L.
20 2024 (36 O.S. Supp. 2025, Section 322), is amended to read as
21 follows:

22 Section 322. A. The Insurance Commissioner may, if the
23 Commissioner finds that any person or organization has violated the
24 provisions of any statute, rule, bulletin, or order for which the

1 Commissioner has jurisdiction, impose a penalty ~~of~~ not more than
2 ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand Dollars (\$10,000.00)
3 for each such violation. In addition to or in lieu of any fine, the
4 Commissioner may suspend, refuse to renew, put on probation, or
5 revoke an insurer's certificate of authority, license, or any other
6 registration or similar approval that has been issued by the
7 Commissioner to conduct business in this state. Such penalties may
8 be in addition to any other penalty provided by law.

9 B. The Commissioner may direct the person or organization
10 against whom the order was issued to make complete restitution, in
11 the form, manner, and amount within a time period prescribed by the
12 Commissioner, to all residents or insured persons of this state or
13 entities operating in this state damaged by the violation or failure
14 to comply with the provisions of any statute, rule, bulletin, or
15 order for which the Commissioner has jurisdiction.

16 C. No penalty shall be imposed except upon a written order of
17 the Commissioner or the appointed independent hearing examiner,
18 stating the findings of the Commissioner or the appointed
19 independent hearing examiner after notice and opportunity for a
20 hearing in accordance with Article II of the Administrative
21 Procedures Act.

22 SECTION 4. AMENDATORY 36 O.S. 2021, Section 908, as
23 amended by Section 2, Chapter 195, O.S.L. 2024 (36 O.S. Supp. 2025,
24 Section 908), is amended to read as follows:

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

12 B. The Commissioner may direct the person or organization
13 against whom the order was issued to make complete restitution, in
14 the form, manner, and amount within a time period prescribed by the
15 Commissioner, to all residents or insured persons of this state or
16 entities operating in this state damaged by the violation or failure
17 to comply with the provisions of any statute, rule, bulletin, or
18 order for which the Commissioner has jurisdiction.

19 C. No penalty shall be imposed except upon a written order of
20 the Commissioner or the appointed independent hearing examiner,
21 stating the findings of the Commissioner or the appointed
22 independent hearing examiner after notice and opportunity for a
23 hearing in accordance with Article II of the Administrative
24 Procedures Act.

1 SECTION 5. AMENDATORY 36 O.S. 2021, Section 942, is
2 amended to read as follows:

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

17 SECTION 6. AMENDATORY 36 O.S. 2021, Section 943, is
18 amended to read as follows:

19 Section 943. A. No insurance carrier who issues motor vehicle
20 policies in this state shall use traffic complaints, traffic
21 citations, or other legal forms of traffic charges as a basis for
22 cancellation of a motor vehicle insurance policy, increasing premium
23 rates for a motor vehicle insurance policy, or refusing to issue or
24 renew a motor vehicle insurance policy, where the insured was:

1 1. ~~the insured was acquitted~~ Acquitted of the charge;

2 2. ~~the insured was arrested~~ Arrested and no charges were filed;

3 or

4 3. ~~the insured was arrested~~ Arrested and the charges were
5 dismissed.

6 B. No insurer shall cancel, refuse to renew, or otherwise
7 terminate a motor vehicle policy that has been in effect more than
8 forty-five (45) days solely because the insurer filed a first claim
9 against the policy. Nothing in this subsection shall be construed
10 to prevent the cancellation, nonrenewal, or other termination for:

11 1. Nonpayment of premium;

12 2. Discovery of fraud or material misrepresentation in the
13 procurement of the insurance or with respect to any claims
14 submitted;

15 3. Offenses set forth in subsection C of Section 941 of this
16 title;

17 4. Offenses set forth in Section 11-901 of Title 47 of the
18 Oklahoma Statutes; or

19 5. A determination by the Insurance Commissioner that the
20 continuation of the policy would place the insurer in violation of
21 the insurance laws of this state.

22 C. The ~~Insurance~~ Commissioner may suspend or revoke, after
23 notice and hearing, the certificate of authority to transact
24 insurance business in this state of any insurance carrier violating

1 the provisions of this section or may censure the insurer or impose
2 a fine.

3 SECTION 7. AMENDATORY 36 O.S. 2021, Section 961, is
4 amended to read as follows:

5 Section 961. 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~~ 963 of this title, which can be attributed
12 to the construction standards set forth in subsection B of this
13 section. A premium discount or rate reduction shall be available
14 under the terms specified in this section to any owner who builds or
15 locates a new insurable property in ~~the State of Oklahoma~~ this state
16 to resist loss due to tornado or other catastrophic windstorm
17 events. ~~Insurance companies shall be required to offer such a~~
18 ~~premium discount or rate reduction only when the insurer determines~~
19 ~~they are actuarially justified and there is sufficient and credible~~
20 ~~evidence of cost savings, which can be attributed to the~~
21 ~~construction standards set forth in subsection B of this section.~~
22 In addition, insurance companies may also offer additional
23 adjustments in deductible, other risk differentials, or a any
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 located
3 in this state shall be certified as constructed in accordance with
4 Appendix ~~Y~~ X of the ~~2015~~ 2018 International Building Code, as
5 adopted by the Oklahoma Uniform Building Code, as amended, including
6 all tornado mitigation construction requirements, as long as its
7 standards are equal to or greater than the FORTIFIED Home High Wind
8 and Hail Standards as certified by the Insurance Institute for
9 Business and Home Safety (IBHS), or the FORTIFIED Home High Wind and
10 Hail Standards as may from time to time be adopted by the Insurance
11 Institute for Business and Home Safety or successor entity. An
12 insurable property shall be certified as conforming to the
13 applicable building code only after an inspection of the insurable
14 property has been satisfactorily completed by a certified or
15 licensed building inspector and certified to be conforming to the
16 applicable building code including all high wind and hail mitigation
17 construction requirements. An insurable property shall be certified
18 as conforming to the FORTIFIED Home High Wind and Hail Standards
19 only after evaluation and certification by an evaluator certified
20 pursuant to the FORTIFIED Home High Wind and Hail Standards.

21 C. An owner of insurable property claiming a premium discount,
22 rate reduction, or other adjustment pursuant to this section shall
23 maintain sufficient certification records and construction records
24 including, but not limited to, a certification of compliance with

1 the applicable building code or the FORTIFIED Home High Wind and
2 Hail Standards provided in subsection B of this section, receipts
3 from contractors, receipts for materials, and records from local
4 building officials. The records shall be subject to audit by the
5 Insurance Commissioner, or his or her representatives, and copies of
6 any such records shall be presented to the insurer or potential
7 insurer of a property owner before the premium discount, rate
8 reduction, or other adjustment becomes effective for the insurable
9 property.

10 D. Insurers that write policies that are subject to the premium
11 discount or rate reduction in this section and that are required to
12 submit rates and rating plans to the Commissioner pursuant to
13 Section 987 of ~~Title 36 of the Oklahoma Statutes~~ this title shall
14 submit ~~a rating plan~~ plans certified by their actuary ~~as actuarially~~
15 ~~justified~~ providing for the premium ~~discount~~ discounts or rate
16 ~~reduction~~ reductions described in this section. An insurer is not
17 required to provide the same amount of premium discount, rate
18 reduction, or other adjustment for a building code insurable
19 property as the insurer would to an insurable property conforming to
20 the FORTIFIED Home High Wind and Hail Standards. A premium
21 discount, rate reduction, or other adjustment shall only apply to
22 policies that provide wind or hail coverage and to that portion of
23 the premium for wind or hail coverage. A premium discount, rate
24 reduction, or other adjustment shall apply exclusively to the wind

1 and hail premium applicable to improved insurable property. If an
2 insurer already offers ~~an actuarially justified~~ a hail resistance
3 discount, that hail-related discount shall be deemed as having met
4 the requirements of ~~this act~~ Section 961 et seq. of this title as it
5 pertains to hail-related discounts or rate reductions and no
6 additional hail-related discount or rate reduction shall be
7 required. If an insurer already offers ~~an actuarially justified~~ a
8 discount for IBHS FORTIFIED Home ~~standards~~ High Wind and Hail
9 Standards, that discount shall be deemed as having met the
10 requirements of ~~this act~~ Section 961 et seq. of this title as it
11 pertains to wind-related discounts or rate reductions and no
12 additional wind-related discount or rate reduction shall be
13 required. Insurers shall apply any applicable premium discount,
14 rate reduction, or other adjustment to the wind and hail premium at
15 the policy renewal that follows the submission of the certification
16 to the insurer. At the time of a policy renewal for which a premium
17 discount, rate reduction, or other adjustment has previously been
18 made, the insurer may request documentation or recertification that
19 the ~~fortified standards~~ IBHS FORTIFIED Home High Wind and Hail
20 Standards as described in ~~subsection~~ subsections B and C of this
21 section continue to be met. In addition to the requirements of this
22 section, an insurer may voluntarily offer any other mitigation
23 adjustment that the insurer deems appropriate.

24

1 SECTION 8. AMENDATORY 36 O.S. 2021, Section 962, is
2 amended to read as follows:

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

20 In addition, insurance companies may also offer additional
21 adjustments in deductible, other risk differentials, or ~~a~~ any
22 combination ~~thereof~~, collectively referred to as other adjustments.

23 B. To obtain the premium discount, rate reduction, or other
24 adjustment provided in this section, an insurable property shall be

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

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

1 D. Insurers that write policies that are subject to the premium
2 discount or rate reduction in this section and that are required to
3 submit rates and rating plans to the Commissioner pursuant to
4 Section 987 of ~~Title 36 of the Oklahoma Statutes~~ this title shall
5 submit rating plans certified by their actuary ~~as actuarially~~
6 ~~justified~~ providing for the premium discounts or rate reductions
7 described in this section. A premium discount, rate reduction, or
8 other adjustment shall only apply to policies that provide wind or
9 hail coverage and to that portion of the premium for wind or hail
10 coverage. A premium discount, rate reduction, or other adjustment
11 shall apply exclusively to the wind and hail premium applicable to
12 improved insurable property. If an insurer already offers ~~an~~
13 ~~actuarially justified~~ a hail resistance discount, that hail-related
14 discount shall be deemed as having met the requirements of ~~this act~~
15 Section 961 et seq. of this title as it pertains to hail-related
16 discounts or rate reductions and no additional hail-related discount
17 or rate reduction shall be required. If an insurer already offers
18 ~~an actuarially justified~~ a discount for IBHS FORTIFIED Home
19 ~~standards~~ High Wind and Hail Standards, that discount shall be
20 deemed as having met the requirements of ~~this act~~ Section 961 et
21 seq. of this title as it pertains to wind-related discounts or rate
22 reductions and no additional wind-related discount or rate reduction
23 shall be required. Insurers shall apply the premium discount, rate
24 reduction, or other adjustment to the wind and hail premium at the

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

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

13 Section 1204. The following are hereby defined as unfair
14 methods of competition and unfair and deceptive acts or practices in
15 the business of insurance:

16 1. Misrepresentations and false advertising of policy
17 contracts. Making, issuing, circulating, or causing to be made,
18 issued, or circulated, any estimate, illustration, circular, or
19 statement misrepresenting the terms of any policy issued or to be
20 issued or the benefits or advantages promised thereby or the
21 dividends or share of the surplus to be received thereon, or making
22 any false or misleading statement as to the dividends or share of
23 surplus previously paid on similar policies, or making any
24 misleading representation or any misrepresentation as to the

1 financial condition of any insurer, or as to the legal reserve
2 system upon which any life insurer operates, or using any name or
3 title of any policy or class of policies misrepresenting the true
4 nature thereof, or making any misrepresentation to any policyholder
5 insured in any company for the purpose of inducing or tending to
6 induce such policyholder to lapse, forfeit, or surrender his or her
7 insurance;

8 2. False information and advertising generally. Making,
9 publishing, disseminating, circulating, or placing before the
10 public, or causing, directly or indirectly, to be made, published,
11 disseminated, circulated, or placed before the public, in a
12 newspaper, magazine, or other publication, or in the form of a
13 notice, circular, pamphlet, letter, or poster, or over any radio or
14 television station, or in any other way an advertisement,
15 announcement, or statement containing any assertion, representation,
16 or statement with respect to the business of insurance or with
17 respect to any person in the conduct of his or her insurance
18 business which is untrue, deceptive, or misleading. No insurance
19 company shall issue, or cause to be issued, any policy of insurance
20 of any type or description upon life, or property, real or personal,
21 whenever such policy of insurance is to be furnished or delivered to
22 the purchaser or bailee of any property, real or personal, as an
23 inducement to purchase or bail such property, real or personal, and
24 no other person shall advertise, offer, or give free insurance,

1 insurance without cost or for less than the approved or customary
2 rate, in connection with the sale or bailment of real or personal
3 property, except as provided in Section 4101 of this title. No
4 person that is not an insurer shall assume or use any name which
5 deceptively infers or suggests that it is an insurer;

6 3. Defamation. Making, publishing, disseminating, or
7 circulating, directly or indirectly, or aiding, abetting, or
8 encouraging the making, publishing, disseminating, or circulating of
9 any oral or written statement or any pamphlet, circular, article, or
10 literature which is false, or maliciously critical of or derogatory
11 to the financial condition of an insurer, and which is calculated to
12 injure any person engaged in the business of insurance;

13 4. Boycott, coercion, and intimidation. Entering into any
14 agreement to commit, or by any concerted action committing, any act
15 of boycott, coercion, or intimidation resulting in or tending to
16 result in unreasonable restraint of, or monopoly in, the business of
17 insurance;

18 5. False financial statements. Filing with any supervisory or
19 other public official, or making, publishing, disseminating,
20 circulating, or delivering to any person, or placing before the
21 public or causing directly or indirectly, to be made, published,
22 disseminated, circulated, delivered to any person, or placed before
23 the public, any false statement of financial condition of an insurer
24 with intent to deceive.

1 6. Making any false entry in any book, report, or statement of
2 any insurer with intent to deceive any agent or examiner lawfully
3 appointed to examine into its condition or into any of its affairs,
4 or any public official to whom such insurer is required by law to
5 report, or who has authority by law to examine into its condition or
6 into any of its affairs, or, with like intent, willfully omitting to
7 make a true entry of any material fact pertaining to the business of
8 such insurer in any book, report, or statement of such insurer;

9 ~~6.~~ 7. Stock operations and advisory board contracts. Issuing
10 or delivering or permitting agents, officers, or employees to issue
11 or deliver agency company stock or other capital stock, or benefit
12 certificates or shares in any common-law corporation, or securities
13 or any special or advisory board contracts or other contracts of any
14 kind promising returns and profits as an inducement to insurance;

15 ~~7.~~ 8. Unfair discrimination.

16 ~~(a)~~ a. Making or permitting any unfair discrimination
17 between individuals of the same class and equal
18 expectation of life in the rates charged for any
19 contract of life insurance or of life annuity or in
20 the dividends or other benefits payable thereon, or in
21 any other of the terms and conditions of such
22 contract.

23 ~~(b)~~ b. Making or permitting any unfair discrimination
24 between individuals of the same class and of

1 essentially the same hazard in the amount of premium,
2 policy fees, or rates charged for any policy or
3 contract of accident or health insurance or in the
4 benefits payable thereunder, or in any of the terms or
5 conditions of such contract, or in any other manner
6 whatever.

7 ~~(e)~~ c. As to kinds of insurance other than life and
8 accident and health, no person shall make or permit
9 any unfair discrimination in favor of particular
10 persons, or between insureds or subjects of insurance
11 having substantially like insuring, risk, and exposure
12 factors, or expense elements, in the terms or
13 conditions of any insurance contract, or in the rate
14 or amount of premium charged therefor. This paragraph
15 shall not apply as to any premium rate in effect
16 pursuant to Article 9 of the Oklahoma Insurance Code;

17 ~~8.~~ 9. Rebates.

18 ~~(a)~~ a. Except as otherwise expressly provided by law,
19 knowingly permitting or offering to make or making any
20 contract of insurance or agreement as to such contract
21 other than as plainly expressed in the contract issued
22 thereon; or paying or allowing, or giving or offering
23 to pay, allow, or give, directly or indirectly, as
24 inducement to any contract of insurance, any rebate of

1 premiums payable on the contract, or any special favor
2 or advantage in the dividends or other benefits
3 thereon, or any valuable consideration or inducement
4 whatever not specified in the contract; except in
5 accordance with an applicable rate filing, rating
6 plan, or rating system filed with and approved by the
7 Insurance Commissioner; or giving or selling or
8 purchasing or offering to give, sell, or purchase as
9 inducement to such insurance, or in connection
10 therewith, any stocks, bonds, or other securities of
11 any company, or any dividends or profits accrued
12 thereon, or anything of value whatsoever not specified
13 in the contract or receiving or accepting as
14 inducement to contracts of insurance, any rebate of
15 premium payable on the contract, or any special favor
16 or advantage in the dividends or other benefit to
17 accrue thereon, or any valuable consideration or
18 inducement not specified in the contract.

19 ~~(b)~~ b. Nothing in paragraph 7 or subparagraph ~~(a)~~ a of this
20 paragraph shall be construed as including within the
21 definition of discrimination or rebates any of the
22 following practices:

- 23 (1) in the case of any contract of life insurance or
24 life annuity, paying bonuses to policyholders or

1 otherwise abating their premiums in whole or in
2 part out of surplus accumulated from
3 nonparticipating insurance, provided that any
4 such bonuses or abatement of premiums shall be
5 fair and equitable to policyholders and for the
6 best interest of the company and its
7 policyholders,

8 (2) in the case of life or accident and health
9 insurance policies issued on the industrial debit
10 or weekly premium plan, making allowance to
11 policyholders who have continuously for a
12 specified period made premium payments directly
13 to an office of the insurer in an amount which
14 fairly represents the ~~saving~~ savings in
15 collection expense,

16 (3) making a readjustment of the rate of premium for
17 a policy based on the loss or expense experience
18 thereunder, at the end of the first or any
19 subsequent policy year of insurance thereunder,
20 which may be made retroactive only for such
21 policy year,

22 (4) in the case of life insurance companies, allowing
23 its bona fide employees to receive a commission
24

1 on the premiums paid by them on policies on their
2 own lives,

3 (5) issuing life or accident and health policies on a
4 salary saving or payroll deduction plan at a
5 reduced rate commensurate with the savings made
6 by the use of such plan, and

7 (6) paying commissions or other compensation to duly
8 licensed agents or brokers, or allowing or
9 returning to participating policyholders,
10 members, or subscribers, dividends, savings, or
11 unabsorbed premium deposits.

12 ~~(e)~~ c. As used in this section, the word "insurance"
13 includes suretyship and the word "policy" includes
14 bond;

15 ~~9.~~ 10. Coercion prohibited. Requiring as a condition precedent
16 to the purchase of, or the lending of money upon the security of,
17 real or personal property, that any insurance covering such
18 property, or liability arising from the ownership, maintenance, or
19 use thereof, be procured by or on behalf of the vendee or by the
20 borrower in connection with such purchase or loan through any
21 particular person or agent or in any particular insurer, or
22 requiring the payment of a reasonable fee as a condition precedent
23 to the replacement of insurance coverage on mortgaged property at
24 the anniversary date of the policy; provided, however, that this

1 provision shall not prevent the exercise by any such vendor or
2 lender of the right to approve or disapprove any insurer selected to
3 underwrite the insurance, but any disapproval of any insurer shall
4 be on reasonable grounds;

5 ~~10.~~ 11. Inducements. No insurer, agent, broker, solicitor, or
6 other person shall, as an inducement to insurance or in connection
7 with any insurance transaction, provide in any policy for or offer,
8 sell, buy, or offer or promise to buy, sell, give, promise, or allow
9 to the insured or prospective insured or to any other person in his
10 or her behalf in any manner whatsoever:

- 11 ~~(a)~~ a. any employment,
- 12 ~~(b)~~ b. any shares of stock or other securities issued or at
13 any time to be issued or any interest therein or
14 rights thereto,
- 15 ~~(c)~~ c. any advisory board contract, or any similar
16 contract, agreement, or understanding, offering,
17 providing for, or promising any special profits,
- 18 ~~(d)~~ d. any prizes, goods, wares, merchandise, or tangible
19 property of an aggregate value in excess of One
20 Hundred Dollars (\$100.00), or
- 21 ~~(e)~~ e. any special favor, advantage, or other benefit in
22 the payment, method of payment, or credit for payment
23 of the premium through the use of credit cards, credit
24 card facilities, credit card lists, or wholesale or

1 retail credit accounts of another person. The
2 provisions of this paragraph shall not apply to
3 individual policies insuring against loss resulting
4 from bodily injury or death by accident as defined by
5 Article 44 of the Oklahoma Insurance Code;

6 ~~11.~~ 12. Premature disposal of premium notes prohibited. No
7 insurer or agent thereof shall hypothecate, sell, or dispose of a
8 promissory note received in payment of any part of a premium on a
9 policy of insurance applied for prior to the delivery of the policy;

10 ~~12.~~ 13. Fraudulent statement in application. Any insurance
11 agent, examining physician, or other person who knowingly or
12 willfully makes a false or fraudulent statement or representation in
13 or relative to an application for insurance, or who makes any such
14 statement to obtain a fee, commission, money, or benefit, shall be
15 guilty of a misdemeanor;

16 ~~13.~~ 14. Deceptive use of financial institution's name in
17 notification or solicitation. Verbally or by any other means
18 notifying or soliciting any person in a manner that:

19 ~~(a)~~ a. mentions the name of an unrelated and unaffiliated
20 financial institution,

21 ~~(b)~~ b. mentions an insurance product or the possible lack
22 of insurance coverage,

1 ~~(e)~~ c. does not mention the actual or trade name of the
2 insurance agency or company on whose behalf the
3 notification or solicitation is provided, and
4 ~~(d)~~ d. thereby creates an impression or implication,
5 including by omission, that the financial institution
6 or a financial-institution-authorized entity is or may
7 be the one making the notification or solicitation.

8 Nothing in this paragraph shall be interpreted to prohibit the
9 reference to or use of the name of a financial institution made
10 pursuant to a contractual agreement between the insurer and the
11 financial institution; ~~and~~

12 ~~14.~~ 15. No insurer or prepaid vision plan organization as
13 defined in Section ~~1 of this act~~ 6972 of this title which offers
14 multiple prepaid vision plans may require as a condition of
15 participation in any one prepaid vision plan that a vision care
16 provider participate in any of the other prepaid vision plans
17 offered by the insurer or prepaid vision plan organization; and

18 16. Insurers providing additional coverage for an additional
19 premium as an exception to ordinance or law exclusions shall
20 consider all building codes as being strictly enforced.

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

23 Section 1211. A. Any person who violates a cease and desist
24 order of the Insurance Commissioner issued and served pursuant to

1 the provisions of Section 1207 of this title, after it has become
2 final, and while such order is in effect, shall, upon proof thereof
3 to the satisfaction of the court, forfeit and pay to the State of
4 Oklahoma a civil penalty ~~of not less than One Hundred Dollars~~
5 ~~(\$100.00), nor more than One Thousand Dollars (\$1,000.00)~~ Twenty-
6 five Thousand Dollars (\$25,000.00) for each violation.

7 B. The Commissioner may direct the person or organization
8 against whom the order was issued to make complete restitution, in
9 the form, manner, and amount within a time period prescribed by the
10 Commissioner, to all residents or insured persons of this state or
11 entities operating in this state damaged by the violation or failure
12 to comply with the provisions of any statute, rule, bulletin, or
13 order for which the Commissioner has jurisdiction.

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

16 Section 1212. The powers vested in the Insurance Commissioner
17 by this article shall be additional to any other powers to enforce
18 penalties, fines, or forfeitures authorized by law with respect to
19 ~~the methods, acts and practices hereby declared to be unfair or~~
20 ~~deceptive~~ violations of the provisions of this title.

21 SECTION 12. AMENDATORY 36 O.S. 2021, Section 1250.4, is
22 amended to read as follows:

23 Section 1250.4. A. An insurer's claim files shall be subject
24 to examination by the Insurance Commissioner or by duly appointed

1 designees. Such files shall contain all notes and work papers
2 pertaining to a claim in such detail that pertinent events and the
3 dates of such events can be reconstructed. In addition, the
4 Insurance Commissioner, authorized employees, and examiners shall
5 have access to any of an insurer's files that may relate to a
6 particular complaint under investigation or to an inquiry or
7 examination by the Insurance Department.

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

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

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

1 ~~One Hundred Dollars (\$100.00) nor more than Five Thousand Dollars~~
2 ~~(\$5,000.00) Ten Thousand Dollars (\$10,000.00).~~

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

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

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

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

12 3. Where the insurer has a reasonable basis to believe that the
13 policyholder has intentionally made a material misrepresentation of
14 fact that is relevant to the claim, and the entire request for
15 payment of a loss has been denied on the basis of the material
16 misrepresentation;

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

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

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

23 B. The Insurance Commissioner's dispute resolution program
24 shall assist consumers and insurance companies effectively,

1 economically, and fairly, and timely resolve disputes with persons
2 or entities subject to the jurisdiction of the Insurance
3 Commissioner and related to insurance or service warranty claims.
4 Such dispute resolution period shall be subject to the provisions of
5 Sections 1801 through 1813 of Title 12 of the Oklahoma Statutes.

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

9 D. Mediation shall be voluntary except that insurers shall
10 participate in any mediation requested by a first-party claimant or
11 third-party claimant, as assignee of the policy benefits that:

12 1. Involves an insurance claim under a residential or
13 commercial residential or automobile insurance policy; and

14 2. Has not commenced civil litigation relating to the claim to
15 be mediated.

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

19 F. All parties to the mediation shall negotiate in good faith
20 to resolve the dispute and shall have the authority to immediately
21 settle the claim. The dispute shall not be required to be resolved
22 in mediation. If a written settlement is reached and the
23 policyholder is not represented by an attorney, the policyholder
24 shall have three (3) business days in which the policyholder may

1 rescind the settlement unless such policyholder has cashed or
2 deposited any check, draft, or other payment made to the
3 policyholder as a result of the settlement. If a settlement
4 agreement is reached and is not rescinded, it shall be binding as a
5 release of all specific claims presented in the mediation
6 conference.

7 G. 1. A mediation conference shall be held as scheduled by the
8 dispute resolution program coordinator. Upon application by any
9 party for continuance, the program coordinator shall, for good cause
10 shown or if neither party objects, grant a continuance and shall
11 notify all parties of the date and place of the rescheduled
12 conference. Good cause shall include:

13 a. severe illness, injury, or other emergency that could
14 not be controlled by the party and could not
15 reasonably be remedied by the party prior to the
16 conference by providing a replacement representative,
17 or

18 b. the necessity of obtaining additional information,
19 securing the attendance of a necessary professional,
20 or the avoidance of significant financial hardship.

21 2. If the policyholder demonstrates to the mediator the need
22 for expedited mediation conference due to an undue hardship, the
23 conference shall be conducted at the earliest date convenient to all
24 of the parties and the mediator. Undue hardship shall be

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

6 H. An insurer shall be deemed to have failed to appear if the
7 insurer's representative lacks authority to settle the full value of
8 the claim. The authority to settle a claim shall include the
9 ability to disburse the full settlement amount within ten (10) days
10 of the conclusion of the conference. The insurer shall produce at
11 the conference a copy of the policy and shall bring the entire
12 claims file to such conference.

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

17 J. The Commissioner may promulgate rules necessary for the
18 enforcement of the provisions of this section.

19 SECTION 14. AMENDATORY 36 O.S. 2021, Section 1250.6, is
20 amended to read as follows:

21 Section 1250.6. A. Every property and casualty insurer, within
22 ~~thirty (30)~~ fourteen (14) days after receiving notification of a
23 claim, shall acknowledge the receipt of such notification unless
24 payment is made within such period of time. If an ~~acknowledgement~~

1 acknowledgment is made by means other than writing, an appropriate
2 notation of such ~~acknowledgement~~ acknowledgment shall be made in the
3 claim file of the property and casualty insurer, and dated.
4 Notification given to an agent of a property and casualty insurer
5 shall be notification to the insurer. The acknowledgment shall
6 include the Homeowners Claims Bill of Rights established in Section
7 15 of this act.

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

16 C. Every property and casualty insurer shall send the
17 policyholder a copy of any detailed estimate of the amount of the
18 loss within seven (7) days after the estimate is generated by an
19 insurer's adjuster. This subsection shall not be construed to
20 require an insurer to create a detailed estimate of the amount of
21 the loss if such estimate is not reasonably necessary as part of the
22 claims investigation.

23
24

1 SECTION 15. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1250.6a of Title 36, unless
3 there is created a duplication in numbering, reads as follows:

4 A. An insurer issuing a personal lines residential property
5 insurance policy in this state shall provide a Homeowners Claims
6 Bill of Rights to a policyholder within fourteen (14) days after
7 receiving an initial communication with respect to a claim.

8 B. Any violation of the provisions of this section shall
9 constitute a violation of the Unfair Claims Settlement Practices
10 Act, and the Insurance Commissioner may, after notice and
11 opportunity for a hearing, subject an insurer to civil penalties set
12 forth in Sections 1250.13 and 1250.14 of Title 36 of the Oklahoma
13 Statutes, along with any other penalties set forth in law.

14 C. The Homeowners Claims Bill of Rights shall include:

15 "HOMEOWNERS CLAIMS BILL OF RIGHTS

16 This bill of rights is specific to the claims process and does
17 not represent all of your rights under Oklahoma law regarding your
18 policy. This document does not prohibit an insurer from exercising
19 any right to repair damaged property in compliance with the terms of
20 an applicable policy.

21 YOU HAVE THE RIGHT TO:

22 1. Receive from your insurance company an acknowledgment of
23 your reported claim within fourteen (14) days after the time you
24 communicated the claim;

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

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

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

- 10 a. full settlement payment for your claim or payment of
11 the undisputed portion of your claim,
12 b. denial of your claim, or
13 c. notice that the insurer needs more time to investigate
14 the claim and stating the reason why;

15 5. If an insurer provides notice that it needs more time to
16 investigate the claim, receive from your insurance company within
17 ninety (90) days after you have submitted an executed proof-of-loss
18 statement either:

- 19 a. full settlement payment for your claim or payment of
20 the undisputed portion of your claim, or
21 b. denial of your claim.

22 In the event of a weather-related catastrophe or a major natural
23 disaster, as declared by the Governor, the Insurance Commissioner
24

1 may approve a request to extend this deadline an additional twenty
2 (20) days; and

3 6. Contact the Insurance Department via telephone or website
4 for assistance with any insurance claim or questions pertaining to
5 the handling of your claim.

6 YOU ARE ADVISED TO:

7 1. File all claims directly with your insurance company;

8 2. Contact your insurance company before entering into any
9 contract for repairs to confirm any managed repair policy provisions
10 or optional preferred vendors;

11 3. Make and document emergency repairs that are necessary to
12 prevent further damage. Keep the damaged property, if feasible,
13 keep all receipts, and take photographs or video recordings of
14 damage before and after any repairs to provide to your insurer;

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

19 5. Confirm that the contractor you chose is licensed to do
20 business in Oklahoma. You can verify a contractor's license and
21 check to see if there are any complaints against him or her by
22 calling the Construction Industries Board. You should also ask the
23 contractor for references from previous work;

24

1 6. Require all contractors to provide proof of insurance before
2 beginning repairs; and

3 7. Take precautions if the damage requires you to leave your
4 home, including securing your property, turning off your gas, water,
5 and electricity, and contacting your insurance company, and provide
6 a phone number where you can be reached.”

7 SECTION 16. AMENDATORY 36 O.S. 2021, Section 1250.7, is
8 amended to read as follows:

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

1 Governor, the Insurance Commissioner may extend the deadline imposed
2 under this subsection an additional twenty (20) days.

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

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

1 major natural disaster, as declared by the Governor, the Insurance
2 Commissioner may extend this deadline for investigation an
3 additional twenty (20) days.

4 D. Within the applicable timelines set forth in subsection C of
5 this section, the insurer shall pay or deny such claim. If the
6 insurer's claim payment is less than specified in any insurer's
7 detailed estimate pursuant to subsection C of Section 1250.6 of this
8 title of the amount of the loss, the insurer shall provide a
9 reasonable explanation in writing of the difference to the
10 policyholder. Any untimely payment of an initial or supplemental
11 claim or portion of such claim shall bear simple interest at the
12 rate of ten percent (10%) per year. Interest shall begin to accrue
13 from the date the insurer receives notice of the claim. The
14 provisions of this subsection shall not be waived, voided, or
15 nullified by the terms of the insurance policy. If there is a right
16 to prejudgment interest, the insured shall select whether to receive
17 prejudgment interest of interest accrued pursuant to this
18 subsection. Interest shall be payable when the claim, or portion of
19 the claim, is paid. Failure to comply with this subsection shall
20 constitute a violation of this section, but shall not form the sole
21 basis for a private cause of action. Insurers shall not fail to
22 settle ~~first party~~ first-party claims on the basis that
23 responsibility for payment should be assumed by others except as may
24 otherwise be provided by policy provisions.

1 E. Insurers shall not continue or delay negotiations for
2 settlement of a claim directly with a claimant who is neither an
3 attorney nor represented by an attorney, for a length of time which
4 causes the claimant's rights to be affected by a statute of
5 limitations, or a policy or contract time limit, without giving the
6 claimant written notice that the time limit is expiring and may
7 affect the claimant's rights. Such notice shall be given to ~~first~~
8 ~~party~~ first-party claimants and ~~third-party~~ third-party claimants
9 one (1) year after the date of the loss.

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

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

18 H. If an insurer denies a homeowner's claim, in whole or in
19 part, based solely on the use of video recordings or photographs of
20 the loss using aerial imaging including, but not limited to, drones,
21 driverless vehicles, or other machines that can move independently
22 or through remote control, the insurer shall establish a process
23 allowing the insured to appeal such denial within thirty (30) days
24 of the insured's receipt of the insurer's full and final

1 determination on the claim. The insurer's evaluation of an appeal
2 pursuant to this subsection shall include an in-person inspection of
3 the loss. A determination on the appeal shall be completed, and the
4 insured shall be notified within thirty (30) days of the request of
5 the appeal.

6 SECTION 17. AMENDATORY 36 O.S. 2021, Section 1250.14, is
7 amended to read as follows:

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

20 B. The Commissioner may direct the person or organization
21 against whom the order was issued to make complete restitution, in
22 the form, manner, and amount within a time period prescribed by the
23 Commissioner, to all residents or insured persons of this state or
24 entities operating in this state damaged by the violation or failure

1 to comply with the provisions of any statute, rule, bulletin, or
2 order for which the Commissioner has jurisdiction.

3 SECTION 18. AMENDATORY 36 O.S. 2021, Section 3639.1, is
4 amended to read as follows:

5 Section 3639.1. A. For the purpose of this section,
6 "authorized inspector" means an inspector who is approved by the
7 insurer and who is:

8 1. An adjuster as defined in Section 6202 of this title;

9 2. A home inspector as defined in Section 858-622 of Title 59
10 of the Oklahoma Statutes;

11 3. A building code inspector certified under Section 1000.23 of
12 Title 59 of the Oklahoma Statutes;

13 4. A registered roofing contractor pursuant to Section 1151.3
14 of Title 59 of the Oklahoma Statutes;

15 5. A professional engineer licensed under Section 475.12a of
16 Title 59 of the Oklahoma Statutes; or

17 6. A professional architect licensed under Section 46.8a of
18 Title 59 of the Oklahoma Statutes.

19 B. No insurer shall cancel, refuse to renew, terminate, or
20 increase the premium of a homeowner's insurance policy or any other
21 personal residential insurance coverage including, ~~which~~ but not
22 limited to, flood insurance:

23

24

1 1. Which has been in effect more than forty-five (45) days,
2 solely because the insured filed a first claim against the policy or
3 submitted any number of inquiries on the policy;

4 2. Because of a claim that occurred more than five (5) years
5 before the effective date of the policy or renewal; or

6 3. Based on the claims history of an insured for weather-
7 related claims, unless there were three or more weather-related
8 claims within the preceding three-year period. This paragraph shall
9 not apply to claims for weather-related events for which the insurer
10 provided written notice to the insured for reasonable or customary
11 repairs or replacement specific to the insured's premises or
12 dwelling that the insured failed to make and that, if made, would
13 have prevented the loss for which a claim was made.

14 C. No insurer shall refuse to underwrite risk for a homeowner's
15 insurance policy or any other personal residential insurance
16 coverage including, but not limited to, flood insurance, because of
17 a claim that occurred more than five (5) years before the date of
18 application.

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

22 1. Nonpayment of premium;

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

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

6 4. A change in the risk which substantially increases any
7 hazard insured against after insurance coverage has been issued or
8 renewed;

9 5. Violation of any local fire, health, safety, building, or
10 construction regulation or ordinance with respect to any insured
11 property or the occupancy thereof which substantially increases any
12 hazard insured against;

13 6. A determination by the Insurance Commissioner that the
14 continuation of the policy would place the insurer in violation of
15 the insurance laws of this state; or

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

18 ~~B.~~ E. An insurer shall give to the named insured at the mailing
19 address shown on a homeowner's policy, a written renewal notice that
20 shall include new premium, new deductible, new limits, or coverage
21 at least thirty (30) days prior to the expiration date of the
22 policy. If the insurer fails to provide such notice, the premium,
23 deductible, limits, and coverage provided to the named ~~insurer~~
24 insured prior to the change shall remain in effect until notice is

1 given or until the effective date of replacement coverage obtained
2 by the named insured, whichever occurs first. If notice is given by
3 mail, the notice shall be deemed to have been given on the day the
4 notice is mailed. If the insured elects not to renew, any earned
5 premium for the period of extension of the terminated policy shall
6 be calculated pro rata at the lower of the current or previous
7 year's rate. If the insured accepts the renewal, the premium
8 increase, if any, and other changes shall be effective the day
9 following the prior policy's expiration or anniversary date.

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

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

20 H. If an insurer denies a homeowner's claim, in whole or in
21 part, based solely on the use of video recordings or photographs of
22 the loss using aerial imaging including, but not limited to, drones,
23 driverless vehicles, or other machines that can move independently
24 or through remote control, the insurer shall establish a process

1 allowing the insured to appeal such denial within thirty (30) days
2 of the insured's receipt of the insurer's full and final
3 determination on the claim. The insurer's evaluation of an appeal
4 pursuant to this subsection shall include an in-person inspection of
5 the loss. A determination on the appeal shall be completed, and the
6 insured shall be notified within thirty (30) days of the request of
7 the appeal.

8 I. An insurer shall not reduce coverage, refuse to issue, or
9 refuse to renew a homeowner's policy insuring a residential
10 structure with a roof that is less than fifteen (15) years old
11 solely because of the age of the roof. For a roof that is fifteen
12 (15) years of age or older, an insurer shall allow a homeowner to
13 have a roof inspection performed by an authorized inspector at the
14 homeowner's expense before requiring the replacement of the roof of
15 a residential structure as a condition of issuing or renewing a
16 homeowner's insurance policy. The insurer shall not refuse to issue
17 or renew a homeowner's insurance policy solely because of roof age
18 if an inspection of the roof of the residential structure performed
19 by an authorized inspector indicates that the roof has five (5)
20 years or more of useful life remaining.

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

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

4 SECTION 19. This act shall become effective November 1, 2026.

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