

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 290

By: Quinn

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5
6 AS INTRODUCED

7 An Act relating to property and casualty insurance;
8 amending 36 O.S. 2011, Section 1250.7, as amended by
9 Section 7, Chapter 95, O.S.L. 2018 (36 O.S. Supp.
10 2020, Section 1250.7), which relates to denial or
11 acceptance of claim; establishing procedures for
12 demand for payment of policy limits by an insured
13 after acceptance of claim; and providing an effective
14 date.

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

16 SECTION 1. AMENDATORY 36 O.S. 2011, Section 1250.7, as
17 amended by Section 7, Chapter 95, O.S.L. 2018 (36 O.S. Supp. 2020,
18 Section 1250.7), is amended to read as follows:

19 Section 1250.7. A. Within sixty (60) days after receipt by a
20 property and casualty insurer of properly executed proofs of loss,
21 the first party claimant shall be advised of the acceptance or
22 denial of the claim by the insurer, or if further investigation is
23 necessary. No property and casualty insurer shall deny a claim
24 because of a specific policy provision, condition, or exclusion
unless reference to such provision, condition, or exclusion is
included in the denial. A denial shall be given to any claimant in

1 writing, and the claim file of the property and casualty insurer
2 shall contain a copy of the denial. If there is a reasonable basis
3 supported by specific information available for review by the
4 Commissioner that the first party claimant has fraudulently caused
5 or contributed to the loss, a property and casualty insurer shall be
6 relieved from the requirements of this subsection. In the event of
7 a weather-related catastrophe or a major natural disaster, as
8 declared by the Governor, the Insurance Commissioner may extend the
9 deadline imposed under this subsection an additional twenty (20)
10 days.

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

16 C. Every property and casualty insurer shall complete
17 investigation of a claim within sixty (60) days after notification
18 of proof of loss unless such investigation cannot reasonably be
19 completed within such time. If such investigation cannot be
20 completed, or if a property and casualty insurer needs more time to
21 determine whether a claim should be accepted or denied, it shall so
22 notify the claimant within sixty (60) days after receipt of the
23 proofs of loss, giving reasons why more time is needed. If the
24 investigation remains incomplete, a property and casualty insurer

1 shall, within sixty (60) days from the date of the initial
2 notification, send to such claimant a letter setting forth the
3 reasons additional time is needed for investigation. Except for an
4 investigation of possible fraud or arson which is supported by
5 specific information giving a reasonable basis for the
6 investigation, the time for investigation shall not exceed one
7 hundred twenty (120) days after receipt of proof of loss. Provided,
8 in the event of a weather-related catastrophe or a major natural
9 disaster, as declared by the Governor, the Insurance Commissioner
10 may extend this deadline for investigation an additional twenty (20)
11 days.

12 D. Upon acceptance by a property and casualty insurer of
13 properly executed proof of loss pursuant to this section, a claimant
14 may make a demand for payment of policy limits or any portion
15 thereof prior to the filing of a lawsuit. The demand shall be made
16 in writing and provide a telephone number, facsimile number and/or
17 email address to which the response of the insurer shall be
18 directed. The demand shall be sent by certified mail with return
19 receipt to the registered service agent of the insurer or to the
20 Insurance Commissioner if no service agent has been designated by
21 the insurer pursuant to Section 621 of this title. The claimant
22 shall be advised of the acceptance or denial of the demand by the
23 insurer within ninety (90) days from the date the demand is received

1 by the insurer, as evidenced by the return receipt and calculated
2 pursuant to Section 2006 of Title 12 of the Oklahoma Statutes.

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

6 ~~E.~~ F. Insurers shall not continue or delay negotiations for
7 settlement of a claim directly with a claimant who is neither an
8 attorney nor represented by an attorney, for a length of time which
9 causes the claimant's rights to be affected by a statute of
10 limitations, or a policy or contract time limit, without giving the
11 claimant written notice that the time limit is expiring and may
12 affect the claimant's rights. Such notice shall be given to first
13 party claimants thirty (30) days, and to third party claimants sixty
14 (60) days, before the date on which such time limit may expire.

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

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

22 SECTION 2. This act shall become effective November 1, 2021.
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