

1 **SENATE FLOOR VERSION**
2 April 24, 2025
3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 1084

6 By: Tedford of the House

7 and

8 Reinhardt of the Senate

9
10 An Act relating to insurance; providing definitions;
11 prohibiting certain assignment of benefits; declaring
12 certain assignments null and void; providing
13 exceptions; clarifying procedures and penalties for
14 violation; clarifying unprohibited activity;
15 providing for codification; and providing an
16 effective date.

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

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1230 of Title 36, unless there
20 is created a duplication in numbering, reads as follows:

21 A. For purposes of this act:

22 1. "Assignment agreement" means any instrument by which post-
23 loss benefits under an auto, or residential or commercial property
24 insurance, including, but not limited to, any right of action
 against the insurer or any proceeds acquired from the insurer, are
 assigned, transferred, or acquired in any other manner, in whole or
 in part, to or from a person providing services, including, but not

1 limited to, communicating with an insurer on an insured's behalf or
2 inspecting, estimating, protecting, repairing, restoring, or
3 replacing the property or mitigating against further damage to the
4 property; and

5 2. "Person" means:

- 6 a. a natural person,
7 b. any type or form of corporation, company, partnership,
8 proprietorship, association, or other legal entity,
9 and
10 c. a government, governmental subdivision or agency, or
11 other governmental body.

12 B. 1. A person shall not solicit or accept an assignment, in
13 whole or in part, of any post-loss insurance benefit for property
14 damage under an auto collision or comprehensive policy, residential
15 property insurance policy, or commercial property insurance policy.
16 An assignment agreement is against public policy and is null and
17 void, and any contract entered in violation of this section shall be
18 void and unenforceable.

19 2. The provisions of paragraph 1 of this subsection do not
20 apply to any of the following:

- 21 a. an assignment, transfer, pledge, or conveyance granted
22 to a federally insured financial institution,
23 mortgagee, or a subsequent purchaser of the property,
24 or

b. liability coverage under an auto, residential, or commercial property insurance policy.

3 C. Violation of subsection B of this section is considered an
4 unfair or deceptive trade practice. Any person found to have
5 violated the provisions of subsection B of this section shall be
6 subject to the procedures and penalties as other unfair or deceptive
7 trade practices outlined in Title 36 of the Oklahoma Statutes.

8 D. Nothing in this section shall be interpreted to prohibit an
9 attorney from collecting an attorney fee for an action related to a
10 property insurance claim.

11 E. Nothing in this section shall be construed to prohibit an
12 insured from authorizing or directing payment to, or paying, a
13 person for services, materials, or any other thing which may be, or
14 is, covered under an insurance policy. **Insurers shall issue payment**
directly to a person for including, but not limited to, services,
15 **materials and other items that are covered under an insurance**
16 **policy, when the insured agrees that any person providing such**
17 **services should be paid directly, subject to applicable liens.**

19 SECTION 2. This act shall become effective November 1, 2025.

20 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE
April 24, 2025 - DO PASS AS AMENDED