

POLITICS

Lawmakers Wonder if State Farm is Writing Oklahoma Insurance Law

As the new legislative session looms, an episode from the Oklahoma House of Representatives in May sheds light on how insurance companies influence law in their favor.



by J.C. Hallman

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Rep. Mark Tedford, R-Tulsa, pictured in May, immediately following his announcement that SB 726 was a State Farm request bill. (Screenshot)



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A curious bill from Oklahoma's last legislative session has some politicians wondering how much Oklahoma insurance law is being written by insurance companies.

On May 8, the 54th day of the first regular session of the 60th Legislature, Rep. Mark Tedford, R-Tulsa, presented Senate Bill 726 to the Oklahoma House of Representatives.

The bill proposed a modification to [**Section 3629**](#) of Title 36, which exempts uninsured motorist claims from a 15% interest penalty when consumers successfully sue an insurance company. SB 726 sought to add property insurance to the exemption.

In other words, insurance companies would avoid extra losses as they continued fighting homeowners insurance lawsuits even after they had been found to have acted in bad faith.

The one-hour House Floor session stretched to more than two hours before Tedford rose to present SB 726.

Rep. Emily Gise, R-Oklahoma City, took the floor to pose a question to Tedford.

"Can you please help explain to me why we are removing the 15% penalty that would enforce timeliness, as it's our only existing mechanism for timeliness at this time?" Gise asked. "How does that help our constituents, especially mine in tornado alley or Speaker Hilbert's with the fire damage, or my deskmate in Atoka who had the tornado damage?"

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by [Keaton Ross](#) February 5, 2026



Tedford responded that property claims should be excluded because the disputes he had seen were about settlement amounts, not a failure to offer a settlement.

"I don't think we're seeing a lot of claims out there where, within sixty days, the carrier has not responded at all," Tedford said.

That may not be true. A [lawsuit](#) pending against the Oklahoma Insurance Department is based on a claim that State Farm routinely ignores deadlines.

“May I ask who requested this?” Gise said.

“This is a State Farm request bill,” [Tedford said](#).

That is, a bill proposed by Oklahoma’s largest writer of homeowners insurance.

SB 726 was soundly defeated, 72-18, with eight members excused. During the live vote, a number of members initially voted to pass the bill but changed their vote in the final seconds when the outcome was clear.

Tort Law Changes Backfired

In the months following the defeat of SB 726, State Farm came under [widespread scrutiny](#) for hundreds of cases of policyholders suing the insurance giant on bad faith grounds. Attorney General Gentner Drummond has [intervened](#) in a case that has become representative of all of them.

Recent polling revealed [overwhelming support](#) in Oklahoma for the right of policyholders to sue insurance companies.

SB 726 was authored by then-freshman senator Aaron Reinhardt, R-Jenks, who said he could not recall precisely how the bill came to him, but acknowledged that it was likely through the governor’s office or a lobbyist who had come to his office.

“They stop by your office, just like any member of the public can,” Reinhardt said of lobbyists.

The bill sailed through the Senate, 40-7.

Reinhardt and Tedford both explained that, although SB 726 was something of an outlier, it was part of a package of tort-related measures intended to lower premium costs. Reinhardt cited the case of Florida, where in 2022 and 2023, Gov. Ron DeSantis passed a [bevy](#) of tort-related measures.

Some [sources](#) link a dip in Florida premiums to the new laws.

Others, however, suggest that the effect might be an illusion.

A report entitled [**“How Florida Tort Reform Has Backfired”**](#) from Weiss Ratings, the nation’s only independent rating agency covering insurance companies, presented data showing that not only had the total number of lawsuits in Florida not gone down as a result of the regulatory changes, it had actually gone up by 24%.

Further, the number of claims in which Florida policyholders were completely denied on claims rose 17%.

In other words, premiums fell, but the number of policyholders who filed claims only to be denied and forced into litigation went up significantly.

The Weiss report said that changes to tort laws were the culprits.

“There’s every reason to believe that one of the driving factors was the willingness of insurers to more aggressively deny claims due to diminishing concerns about the risk of policyholder lawsuits, ‘thanks’ to tort reform,” the report said.

Weiss Ratings founder, Martin Weiss, added that insurers are often guilty of treating their own customers poorly.

“Insurers abuse their own customers, blame their own customers, and then try to get legislatures to protect them from their own customers’ ire,” Weiss said.

Weiss reiterated that changes in tort law favoring business interests have increased claim denials and litigation.

“Did some company strategists think the reforms gave them a green light to deny claims even more aggressively?” Weiss asked. “It sure looks that way to me.”

It Speaks for Itself

A slew of new insurance laws have been proposed for the legislative session starting Feb. 2.

[**Tedford**](#) and Reinhardt offered assurances that none of the proposed laws being run through their offices originated with State Farm or any other insurance company. Tedford acknowledged that some of his own bill,

[**HB 2933**](#), which comprises the legislation suggested by the Oklahoma Insurance Department in December, might contain language suggested by the National Conference of Insurance Legislators, the National Association of Mutual Insurance Companies or the insurance department.

In seeking comment from a number of lawmakers who voted against SB 726, Oklahoma Watch found uncertainty over whether current House and Senate rules require lawmakers to divulge when a bill has been requested by an outside entity.

In 2008, a law proposed by then-senator Anthony Sykes, who now serves as public access counselor in the office of the Attorney General, would have mandated disclosure of lobbyist requests. The measure passed unanimously in the Senate, but failed to move forward in the House.

Oklahoma Watch heard a bipartisan smattering of recollections of the peculiarity of SB 726.

Rep. Rande Worthen, R-Lawton, was both cryptic and succinct.

“I think it speaks for itself,” he said of the bill’s failure, in an email.

Rep. Trish Ranson, D-Stillwater, admitted to balking at the bill when she learned it had come from State Farm.

“I am leery of voting for anything that benefits a specific entity,” Ranson said. “That was a factor for me. When it was divulged, I was like, ‘I don’t know if I can vote for that.’”

Rep. Jim Olsen, R-Roland, recalled a conversation with a colleague before the vote about why they would be exempting State Farm.

“A bill like that comes up, and I’m thinking, ‘Why are we going to exempt them?’” Olsen said. “So I voted against it.”

Rep. Daniel Pae (R-Lawton) recalled that despite a lack of discussion of SB 726, there was a palpable sense in the chamber that members didn’t want State Farm writing their laws.

“I was curious about that background,” Pae said. “I was unsure about what problem the law was trying to solve. I could not figure out what the answer was for this bill.”

Rep. Michelle McCane, D-Tulsa, agreed with Pae. The purpose of the bill was obscure, she said, and she saw no benefit for her district.

“I am always a little bit cautious when we are receiving bills from a business,” McCane said. “I didn’t see a need for it, and I didn’t have any rationale to explain a yes vote.”

McCane also said that bills originating from specific entities happened more often than many lawmakers might realize. She was unsure whether that was a problem.

Sen. Mary Boren, D-Norman, who voted no on the bill in the Senate before it made its way to the House, wondered whether SB 726 might be related to active litigation. It reminded her of a bill from 2024 that wound up shielding chicken waste management companies from lawsuits by shifting liability for water pollution away from the poultry industry.

She did a little digging and found many State Farm lawsuits hiding in public records. That sealed it.

“To me, the lawsuits are what is triggering State Farm to try to get the laws changed,” Boren said.

Boren said that the specifics of SB 726 were a dead giveaway; the goal was to favor companies at the expense of policyholders.

“If you want to incentivize delaying claims, get rid of this 15% interest,” Boren said.

As legislators prepare to enter the new legislative season, Boren drew a final lesson from the interrupted saga of SB 726.

“Ratepayers in Oklahoma need all of the assessment they can get,” Boren said. “We can’t afford to have the scale tipped in favor of Wall Street corporations, for whom all of this is just a game.”

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