

UNFAIR PROPERTY/CASUALTY CLAIMS SETTLEMENT PRACTICES REGULATION

Authority

Section 2. Purpose

Section 3. Definitions

Section 4. File and Record Documentation

Section 5. Misrepresentation of Policy Provisions

Section 6. Failure to Acknowledge Prompt, Fair and Equitable Settlements Applicable to Fire and Extended Coverage Type Policies with Replacement Cost Coverage

Section 9. Standards for Prompt, Fair and Equitable Settlements Applicable to Fire and Extended Coverage Type Policies with Replacement Cost Coverage

Section 1. Authority

This regulation is adopted under the authority of the Unfair Claims Settlement Practices Act.

Section 2. Purpose

The purpose of this regulation is to set forth minimum standards for the invd g rataos so sah constitute unfair claims practices. Nothing herein shall be construed to create nor imply a private cau for violation of this regulation. This is merely a clarification of original intent and does not indicate any position.

Drafting Note:

E.



Section 7. Standards for Prompt, Fair and Equitable Settlements Applicable to All Insurers

- A. Within twenty-one (21) days after receipt by the insurer of properly executed proofs of loss, the first party claimant shall be advised of the acceptance or denial of the claim by the insurer. No insurer shall deny a claim on the grounds of a specific policy provision, condition or exclusion

- G. No insurer shall request or require any insured to submit to a polygraph examination unless authorized under the applicable insurance contracts and state law.
- H. If, after an insurer rejects a claim, the claimant objects to such rejection, the insurer shall notify

- (ii) The source's database shall produce values for at least eighty percent (85%) of all makes and models for the last fifteen (15) model years taking into account the values of all major options for such vehicles; and
  - (iii) The source shall produce fair market values based on current data available from the area surrounding the location where the insured vehicle was principally garaged or a necessary expansion of parameters (such as time and area) to assure statistical validity.
- (e) Right of Recourse If the insurer is notified within thirty-five (35) days of the receipt of the claim draft that the insured cannot purchase a comparable vehicle for the market value, the

- B. Where liability and damages are reasonably clear, insurers shall not recommend that third party claimants make claim under their own policies solely to avoid paying claims under such insurer's policy.
- C. Insurers shall not require a claimant to travel an unreasonable distance either to inspect a replacement automobile, to obtain a repair estimate or to have the automobile repaired at a specific repair shop.
- D.





