

# Illinois Administrative Code

## TITLE 50: INSURANCE

### Part 919: IMPROPER CLAIMS PRACTICE

Section 919.50 Required Practices for all Insurance Companies  
EXHIBIT A Total Loss Automobile Claims

#### **919.50 Required Practices for all Insurance Companies**

- a) The company shall affirm or deny liability on claims within a reasonable time and shall offer payment within 30 days of affirmation of liability, if the amount of the claim is determined and not in dispute. For those portions of the claim which are not in dispute and the payee is known, the company shall tender payment within said 30 days.
  - 1) On first party claims if a settlement of a claim is less than the amount claimed, or if the claim is denied, the company shall provide to the insured a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed. This explanation shall clearly set forth the policy definition, limitation, exclusion or condition upon which denial was based. Notice of Availability of the Department of Insurance shall accompany this explanation.
  - 2) Within 30 days after the initial determination of liability is made, if the claim is denied, the company shall provide the third party a reasonable written explanation of the basis of the denial.
- b) No company shall deny a claim upon information obtained in a telephone conversation or personal interview with any source unless such telephone conversation or personal interview is documented in the claim file.

- c) The company's standards for claims processing shall be such that notice of claim and proofs of loss submitted against one policy issued by that company shall fulfill the insured's obligation under any and all similar policies issued by that company and specifically identified by the insured to said company to the same degree that the same form would be required under any similar policy. If additional information is required to fulfill the insured's obligation under other similar policies, the company may request the additional information. When it is apparent to the company that additional benefits would be payable under an insured's policy upon receipt of additional proofs of loss from the insured, the company shall communicate to and cooperate with the insured in determining the extent of the company's additional liability.

*(Source: Amended at 13 Ill. Reg. 1204, effective January 11, 1989)*