

Sec. 38a-357-5. Responsibilities of insurers

The responsibilities of insurers are as follows:

(a) Insurers shall report all total losses due to theft or larceny, or constructive total losses due to fire, of any motor vehicle, or theft of any of its component parts, to the NICB within 2 working days from the receipt of sufficient information from the insured. If the insurer has not received an acknowledgment or other communication from the NICB within 10 working days following the submission of a total theft loss report to the NICB, the insurer shall immediately communicate with the NICB to determine the status of the report.

(b) Insurers shall report to NICB all constructive total losses involving motor vehicle salvage, regardless of the nature or cause of loss or the type of coverage involved, including salvage retained by either an insured or a third party claimant. Reports of salvage shall be submitted to NICB within 5 working days of the sale of a salvaged motor vehicle, or within 5 working days after the date of loss payment where an insured or claimant retains possession of a salvaged motor vehicle.

(c) It shall not be deemed to be an unfair claim settlement practice for an insurer to temporarily defer the processing and payments of a claim filed under comprehensive or other coverage in accordance with the following rules:

(1) If the NICB indicates in its response to the insurer that coverage is in effect by more than one insurer for the same motor vehicle, that the motor vehicle has been previously reported as stolen and unrecovered, or that previous similar claims on the same motor vehicle have been reported, the insurer shall promptly investigate and resolve such discrepancy.

(2) If the NICB discovers an erroneous motor vehicle identification number (VIN) and the NICB is unable to clear up such discrepancy internally, it shall send a questionnaire to the insurer. This questionnaire shall be returned to the NICB within 5 working days of receipt by the insurer. If the NICB and the insurer are unsuccessful in resolving the VIN error after a 30-day period from the date of the receipt by the insurer of sufficient information from the insured, the insurer shall proceed with the processing of the loss claim.

(3) If the NICB indicates in its response to the insurer or the insurer finds that it has cause to believe that the claim may have been based on the fraudulent act of any person, the insurer shall promptly provide such information to the NICB and shall cooperate fully with the NICB in the investigation of any such claim.

(Effective September 25, 1992; Amended June 26, 1997)