

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 181

Short Title: Auto Insurance Claims Procedures.

(Public)

Sponsors: Representative Brown.

Referred to: Commerce.

February 9, 1989

A BILL TO BE ENTITLED

AN ACT TO PROVIDE CERTAIN PROCEDURES FOR THE PROCESSING OF CLAIMS UNDER MOTOR VEHICLE LIABILITY POLICIES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-279.21A. Motor vehicle liability policy claims procedures.

When an insurance carrier is notified by a person other than the insured or an agent of the insured that a covered motor vehicle has been involved in an accident involving personal injury or property damage, the insurance carrier shall immediately notify the insured of the nature of the claim being made against the motor vehicle liability policy. No payment shall be made to the claimant until the insured has 30 days to contact the claimant and attempt to settle the claim without payment by the insurance carrier. During the 30-day period, the insurance carrier shall not have the right to settle the claim, notwithstanding G.S. 20-279.21(f)(3), unless the insured has waived the 30-day period."

Sec. 2. G.S. 20-279.21(f)(3) reads as rewritten:

"(3) The insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in subdivision (2) of subsection (b) of this section, provided, however, that the insurance carrier shall notify the insured, pursuant to G.S. 20-279.21A, of any claim made against his motor vehicle liability policy, and shall keep the insured informed of any settlement negotiations and settlement made under the policy."

1 Sec. 3. This act is effective upon ratification.