120-2-52-.03 Standards for Prompt and Fair Settlements of First Party Property Damage Claims.

(1) Every insurer, upon receiving notification of a claim shall, within fifteen (15) days, acknowledge the receipt of such notice by the insured, unless payment is made within that time period. If an acknowledgment is made by means other than writing, a notation of the acknowledgment shall be made in the claim file of the insurer and dated. Notification of a claim given to an agent of an insurer shall be notification to the insurer.
(2) Every insurer, upon receiving notification of a claim shall, within fifteen (15) days, provide the insured with the proof of loss forms, if applicable, with reasonable explanations regarding their use. The providing of these forms will constitute an acknowledgement of receipt of the claim referred to in paragraph (1) above. 18, 1994.
(3) The insurer shall affirm or deny liability on claims within fifteen (15) days of receiving the completed proof of loss from the insured. If the insurer does not require the proof of loss to be completed, the affirmation or denial of liability shall be within thirty (30) days from the day the claim was reported to the insurer.
(4) Payment shall be tendered within ten (10) days after coverage is confirmed and the full amount of the claim is determined and not in dispute. In claims where multiple coverages are involved, payments for individual coverages, which are not in dispute and where the payee is known, shall be tendered within ten (10) days, if such payment would terminate the insurer's known liability under that individual coverage.
(5) If the insurer needs more time than that specified in paragraph (3) above, to determine whether a first party claim should be accepted or denied, it shall notify the claimant within five (5) business days after the time limitation has elapsed in paragraph (3) above giving the reason that more time is needed and an estimate of additional time needed to establish liability. This can be accomplished in writing or if by other means, a proper notation shall be made in the claim file and dated. The total time the insurer has to accept or deny liability shall not exceed 60 days from the company being notified of the claim, unless the company has documented the claim file where information that has been requested necessary to determine liability has not been submitted.
(6) If the insurer has affirmed liability on a claim, or affirmed liability for individual coverages where the claim involves multiple coverages and the amount payable is in dispute, the insured, or the insurer, may submit to the Commissioner a request for their case to be arbitrated. The request must be in writing and must include the facts of the case to include where each party currently stands in the negotiations. The Commissioner may establish a panel of arbitrators consisting of attorneys authorized to practice law in this State and insurance adjusters licensed to act as such in this State. The arbitrators will be charged with the duty of establishing a fair and equitable monetary settlement of the case. If an arbitration panel has been established, three (3) individuals from the panel of arbitrators, at least one of whom shall be an attorney authorized to practice law in this State and at least one of whom shall be an insurance adjuster licensed to act as such in this State, will be designated to hear each request for arbitration. Any claim settled pursuant to this Chapter shall be binding on both parties and fulfill any arbitration provision currently contained in the motor vehicle insurance policy, but shall not preclude or waive any other rights either party has under common law. The decision of the arbitration panel shall in no way be construed as a decision of the Commissioner. If

an arbitration panel has been established, the Commissioner shall forward the written request for arbitration to the three (3) individuals selected to hear such request. The cost of the arbitration shall be borne equally by the parties to the arbitration.

(7) No insurer shall deny a claim on the grounds of a specific policy provision, condition or exclusion unless reference to such provision, condition, or exclusion is included in the denial. The denial shall be given to the insured in writing and the claim file of the insurer shall contain documentation of the denial.

(8) The insurer shall pay according to the terms of its policy for the covered loss up to the actual cash value to repair or to replace the damaged or stolen property subject to any deductibles. However, the insured has the right to choose the place of repair and pay the difference in cost, if the cost of the repair shop selected by the insured is greater than that obtained by the insurer.

(a) Unless permitted pursuant to the provisions of the policy of insurance, no insurer shall require an insured to utilize a particular person, firm, or corporation to repair a motor vehicle in order to settle a first party claim if the insured can obtain the repair work on the motor vehicle at the same cost from another source.

Authority O.C.G.A. Secs. 33-2-9, 33-34-6, 33-34-8. **History.** Original Rule entitled "Standards for Prompt and Fair Settlements of First Party Property Damage Claims" adopted. F. Mar. 29, 1994; eff. Apr. 18, 1994. **Amended:** F. Sept. 5, 1997; eff. Sept. 25, 1997.