11 NCAC 04 .0421 HANDLING OF LOSS AND CLAIM PAYMENTS

(a) The Commissioner shall consider the failure by an insurer to adhere to the procedures in this Rule concerning loss and claim payments as prima facie evidence violation of G.S. 58-63-15(11) when such failure is so frequent as to indicate a general business practice.

(b) When a motor vehicle is damaged and the claim is covered by an insurer, the insurer shall adhere to the following procedures concerning loss and claim payments.

(1) Loss and claim payments shall be mailed or delivered within 10 business days after the claim is settled.

(2) Unless the insured consents, no insurer shall deduct premiums owed by the insured on a policy from a loss or claim payment made under another policy.

(3) No insurer shall withhold the entire amount of a loss or claim payment because the insured owes premium or other monies in an amount less than the loss or claim payment.

(4) If a release or full payment of claim is executed by a claimant involving a repair to a motor vehicle, it shall not bar the right of the claimant to assert a claim for property damages unknown to either the claimant or to the insurance carrier prior to the repair of the motor vehicle if the damages were caused by the accident and could not be determined or known until after the repair or attempted repair of the motor vehicle. This claim shall be asserted within the statute of limitations set forth in G.S. 1-52(16).

(5) If a release or full payment of claim is executed by a third-party claimant involving a repair to a motor vehicle, it shall not bar the right of the third-party claimant to assert a claim for diminution in fair market value pursuant to G.S. 20-279.21(d1) caused by the accident and could not be determined or known until after the repair or attempted repair of the motor vehicle. This claim shall be asserted within the statute of limitations set forth in G.S. 1-52(16).

(c) For purposes of this Rule, "diminution in fair market value" shall be as defined in 11 NCAC 04 .0425.

(d) If a claim for diminution in fair market value is asserted pursuant to this Rule and G.S. 20-279.21(d1), the written appraisal reports prepared by each appraiser shall be exchanged with the other party.

History Note: *Authority G.S. 20-279.2; 58-2-40; 58-63-65;*
Eff. December 15, 1979;
Amended Eff. February 1, 1996; April 1, 1993; April 1, 1989; July 1, 1986;
Readopted Eff. October 1, 2020.