



Insurance Company Responsibilities

Everyone knows that insurance coverage is mandatory in many situations. We all faithfully pay our premiums because we are obligated to, but when a claim is made on a policy, few people realize that the insurance company has obligations of its own regarding its conduct towards you. It's important to know what these obligations are because they amount to your rights as an insured. If an insurance company fails to follow the principles listed below, they may be subject to a claim of bad faith.

Title 11, Part 65, Subpart 3.2 of the New York Codes, Rules and Regulations reads as follows:

Claim practice principles to be followed by all insurers.

- (a) Have as your basic goal the prompt and fair payment to all automobile accident victims.
- (b) Assist the applicant in the processing of a claim. Do not treat the applicant as an adversary.
- (c) Do not demand verification of facts unless there are good reasons to do so. When verification of facts is necessary, it should be done as expeditiously as possible.
- (d) Hasten the processing of a claim through the use of a telephone whenever it is possible to do so.
- (e) Clearly inform the applicant of the insurer's position regarding any disputed matter.
- (f) Respond promptly, when a response is indicated, to all communications from insureds, applicants, attorneys and any other interested persons.
- (g) Every insurer shall distribute copies of this regulation to every person directly responsible to it for the handling and settlement of claims for first-party benefits, and every insurer shall satisfy itself that all such personnel are thoroughly conversant with this regulation.

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