

LYNCH & ASSOCIATES P.C.

Claims Handling for Illinois Property & Casualty Insurance

ACT TO BE PERFORMED	COMPLIANCE TIMEFRAME	REFERENCE
Make a bonafide effort to communicate with all insureds and claimants where liability is reasonably clear and maintain evidence of effort to communicate in the claim file	Within 21 working days after a notification of loss	50 IL ADC 919.40
Acknowledge pertinent communications from a claimant or insured with respect to claims arising under policy	Within 15 working days from receipt of the communication	50 IL ADC 919.40 215 ILCS 5 § 154.6(b)
Affirm or deny liability on claims	Within a reasonable time	50 IL ADC 919.50(a)
Offer payment on claims if the amount of the claim is determined and not in dispute	Within 30 calendar days	50 IL ADC 919.50(a)
Tender payment for portions of the claim which are not in dispute and for which the payee is known	Within 30 calendar days	50 IL ADC 919.50(a)
On first party claims if a settlement of a claim is less than the amount claimed, or if the claim is denied, provide a reasonable written explanation of the basis of the lower offer or denial. Include the policy definition, limitation, exclusion or condition upon which denial was based, and a Notice of Availability of the Department of Insurance.	Within 30 calendar days after the investigation and determination of liability is completed	50 IL ADC 919.50(a)(1)
If the claim is denied, provide the third party a reasonable written explanation of the basis of the denial	Within 30 calendar days after the initial determination of liability	50 IL ADC 919.50(a)(2)
Report vexatious or unreasonable delay findings by a court of law to the Director of the Illinois Department of Insurance and enclose copy of findings and penalties, if any	Within 30 days after such findings	50 IL ADC 919.80(a) 215 ILCS 5 § 155
For automobile collision claims, make final payment or render the repaired automobile to the insured or third party claimant	Within 40 calendar days from the date of notification of the loss	50 IL ADC 919.80(b)(1) – (2)
If a first party physical damage automobile claim remains unresolved for more than 40 calendar days from the date the claim is reported, provide a reasonable written explanation for the delay to the insured and include Notice of Availability of the Department of Insurance	Not specified	50 IL ADC 919.80(b)(2)
For automobile property damage liability claims, make final payment or render the repaired automobile to the insured or third party claimant	Within 60 calendar days from the date of notification of the loss	50 IL ADC 919.80(b)(1), (3)
If an automobile property damage liability claim remains unresolved for more than 60 calendar days from the date the claim is reported, provide a	Not specified	50 IL ADC 919.80(b)(3)

reasonable written explanation for the delay to the third-party claimant and include Notice of Availability of the Department of Insurance		
Make final payment on claims on policies of fire and extended coverage insurance	Within 40 calendar days from the date of notification of loss	50 IL ADC 919.80(b)(1) 50 IL ADC 918.80(d)(7)(A)
If claim on a policy of fire and extended coverage insurance remains unresolved for more than 75 calendar days from the date it is reported, or 25 calendar days after receipt of proof of loss, whichever is less, provide reasonable written explanation for the delay to the insured and include Notice of Availability of the Department of Insurance	Not specified	50 IL ADC 919.80(d)(7)(B)
For fire and extended coverage claims, supply copy of written estimate upon which settlement of partial losses is based to insured	Upon request of insured	50 IL ADC 919.80(d)(7)(B)
For fire and extended coverage claims, review and respond in writing to insured in regard to a written estimate obtained by insured and provide insured with the name of a repair shop or contractor that will make the repairs	Promptly upon receipt of written estimate obtained by insured	50 IL ADC 919.80(d)(7)(B)
Advise the insured in writing of the number of days the period within which the insured may bring suit under a residential fire and extended coverage policy was tolled and how many days are left before the expiration of the time to bring suit	At the time the claim is denied, in whole or in part	50 IL ADC 919.80(d)(8)(C)
Affirm or deny coverage of claims	Within a reasonable time after proof of loss statements have been completed	215 ILCS 5 § 154.6(i)
In the case of the denial of a claim or the offer of a compromise settlement, provide a reasonable and accurate explanation of the basis in the insurance policy or applicable law for such denial or compromise settlement	Promptly	215 ILCS 5 § 154.6(n)
Provide forms necessary to present claims with explanation of effective use of forms	Within 15 working days of a request	215 ILCS 5 § 154.6(o)

(Current as of August 2008) - **This chart is not to be used as a substitute for reviewing the actual statutes and regulations.**