

LYNCH & ASSOCIATES P.C.

Claims Handling for Maryland Property & Casualty Insurance

| ACT TO BE PERFORMED | COMPLIANCE TIMEFRAME | REFERENCE |
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| Provide a reasonable explanation of the basis for a denial of a claim or the offer of a compromise settlement | Promptly upon request | MD Code, Insurance § 27-303(6) MD Code, Insurance § 27-304(14) MD ADC 31.15.07.03(A)(6) MD ADC 31.15.07.03(B)(3) |
| Affirm or deny coverage of claims | Within 15 working days after receiving properly completed claim forms or other proofs of loss, unless there is a time limit specified in the policy or the investigation is not complete | MD Code, Insurance § 27-304(5) MD ADC 31.15.07.03(B)(12) |
| Make payment to claimant when there is no significant dispute as to coverage, liability, and amount of damages | Within 15 working days after receipt of a properly completed claim form or other proof of loss unless a longer period of time is provided for in the insurance contract or by law | MD ADC 31.15.07.02(B)(12) |
| Disclose to first-party claimant all benefits, coverages, or other provisions of an insurance policy under which a claim is presented | Upon written request | MD ADC 31.15.07.03(A)(1)(c) MD ADC 31.15.07.03(B)(1)(c) |
| Acknowledge receipt of notification of claim. Providing claim forms, instructions, and reasonable assistance to first-party claimant satisfies this requirement. | Within 15 working days of receipt of notification of claim unless payment is made within that period of time | MD ADC 31.15.07.03(B)(10) MD ADC 31.15.07.03(C) |
| Furnish Maryland Insurance Administration with adequate response to inquiry regarding claim | Within 15 working days of receipt of inquiry | MD ADC 31.15.07.03(B)(11) |
| Provide appropriate reply to written communication from claimant or representative which suggests that a response is expected | Within 15 working days of receiving communication | MD ADC 31.15.07.03(B)(15) |
| Complete investigation of first-party claim | Within 45 days of notification | MD ADC 31.15.07.04(B) |
| Notify first-party claimant in writing of need for additional time to complete investigation and the | Promptly if investigation is not completed within 45 days of | MD ADC 31.15.07.04(B) |

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| actual reason for needing additional time. Not required to state the reason more time is needed if there is a reasonable basis supported by specific information available for review by the Commissioner that the first-party claimant has fraudulently caused or contributed to the loss. | notification and every 45 days thereafter until affirmation or denial of coverage and damages | MD ADC 31.15.07.04(E) |
| Inform first-party claimant who is neither an attorney nor represented by an attorney in writing that there may be an applicable statute of limitations which may bar that claimant's rights in the future | Upon receipt of a written claim | MD ADC 31.15.07.04(C) |
| Advise claimant as to provision, condition, or exclusion on which the denial of a claim is based | Not specified | MD ADC 31.15.07.04(D) |
| Make appropriate notation in claim file if a claim is denied for reasons other than on the grounds of a specific policy provision, condition, or exclusion, or if the first-party claimant has fraudulently caused or contributed to the loss | Not specified | MD ADC 31.15.07.04(F) |
| Notify insured of the latest date on which an original claim for personal injury protection benefits may be presented | Upon receipt of written notice from insured of the occurrence of an accident | MD ADC 31.15.07.05 |
| If payment on a claim for personal injury protection benefits occurs more than 30 days after receipt of a properly completed claim form or other proof of loss and satisfactory proof verifying the claim, make notation in claim file stating the reason for the delay and add to the amount otherwise payable 1 ½ percent simple interest per month for those days in excess of the 30 days | Not specified | MD ADC 31.15.07.06 |

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