

Article - Insurance

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§13–113.

(a) (1) A claimant shall report a claim promptly to the insurer or its designated claim representative.

(2) The insurer shall maintain adequate claim files.

(3) The insurer shall settle a claim as soon as possible and in accordance with the terms of the insurance contract.

(b) The insurer shall pay a claim by a draft drawn on the insurer or by a check of the insurer to the order of:

(1) the claimant to whom payment of the claim is due under the policy; or

(2) a person to whom the claimant directs payment be made.

(c) (1) A plan or arrangement may not be used if it authorizes a person other than the insurer or its designated claim representative to settle or adjust claims.

(2) The creditor may not be designated as the claim representative of the insurer to adjust a claim.

(3) Notwithstanding paragraph (2) of this subsection, by arrangement with the group insurer, a group policyholder may draw a draft or check in payment of a claim due to the group policyholder subject to audit and review by the group insurer.

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