

§ 154.6. Acts constituting improper claims practice. Any of the following acts by a company, if committed without just cause and in violation of Section 154.5, constitutes an improper claims practice:

- (a) Knowingly misrepresenting to claimants and insureds relevant facts or policy provisions relating to coverages at issue;
- (b) Failing to acknowledge with reasonable promptness pertinent communications with respect to claims arising under its policies;
- (c) Failing to adopt and implement reasonable standards for the prompt investigations and settlement of claims arising under its policies;
- (d) Not attempting in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liabilities has become reasonably clear;
- (e) Compelling policyholders to institute suits to recover amounts due under its policies by offering substantially less than the amounts ultimately recovered in suits brought by them;
- (f) Engaging in activity which results in a disproportionate number of meritorious complaints against the insurer received by the Insurance Department;
- (g) Engaging in activity which results in a disproportionate number of lawsuits to be filed against the insurer or its insureds by claimants;
- (h) Refusing to pay claim without conducting a reasonable investigation based on all available information;
- (i) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
- (j) Attempting to settle a claim for less than the amount to which a reasonable person would believe the claimant was entitled, by reference to written or printed advertising material accompanying or made part of an application or establishing unreasonable caps or limits on paint or materials when estimating vehicle repairs;
- (k) Attempting to settle a claim on the basis of an application which has been altered without notice to, or knowledge or consent of, the insured;
- (l) Making a claims payment to a policyholder or beneficiary omitting the coverage under which each payment is being made;
- (m) Delaying the investigation or payment of claims by requiring an insured, claimant, or the physicians of either to submit a preliminary claim report and then requiring subsequent submission of formal proof of loss forms, resulting in the duplication of verification;
- (n) Failing in the case of the denial of a claim or the offer of a compromise settlement to promptly provide a reasonable and accurate explanation of the basis in the insurance policy or applicable law for such denial or compromise settlement;
- (o) Failing to provide forms necessary to present claims within 15 working days of a request with such explanations as are necessary to use them effectively;
- (p) Failing to adopt and implement reasonable standard to verify that a repairer designated by the insurance company to provide an estimate, perform repairs, or engage in any other service in connection with an insured loss on a vehicle is duly licensed under Section 5-301 of the Illinois Vehicle Code;
- (q) Failing to provide as a persistent tendency a notification on any written estimate prepared by an insurance company in connection with an insured loss that Illinois law requires that the vehicle repairers must be licensed in accordance with Section 5-301 of the Illinois Vehicle Code;
- (r) Engaging in any other acts which are in substance equivalent to any of the foregoing.