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A 50 STATE SURVEY

Obligations for Insurers to Pay Undisputed Amounts of Claim

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OBLIGATIONS FOR INSURERS TO PAY UNDISPUTED AMOUNTS OF CLAIM

While it may be clear in the vast majority of states that insurers are required to pay the “undisputed amounts” of a claim, the requirements for such payments vary from state to state. Tressler has prepared a 50 State Survey in order to assist insurers with the various regulations concerning payments for “undisputed amounts.” As you will see from the Survey below, an insurer can face different requirements for payments of undisputed amounts based on the state law that controls a given situation. Tressler’s Survey is intended to provide an initial point of reference when faced with questions related to payments of undisputed amounts.

STATE	CONTROLLING CASE OR STATUTE	Summary of Case or Statute
Alabama	<i>Southeast Nursing Home, Inc. v. St. Paul Fire & Marine Ins. Co.</i> , 750 F.2d 1531, 1538-39 (11th Cir. 1985) (interpreting Alabama law)	Pay undisputed amounts as soon as possible. Refusal to pay the undisputed portion of a claim, where the total amount of loss is contested, may not amount to bad faith. Generally, an insurer cannot be held liable for the tort of bad faith unless he lacks a legitimate or arguable reason for failing to pay the claim. <i>Gulf Atlantic Life Ins. Co. v. Barnes</i> , 405 So. 2d 916, 924 (Ala. 1981). In <i>Southeast Nursing Home</i> , the Eleventh Circuit rejected the insured’s claim that the insurer was guilty of bad faith because it refused to pay the insured the undisputed amount of the loss. <i>Southeast Nursing Home, Inc. v. St. Paul Fire & Marine Ins. Co.</i> , 750 F.2d 1531, 1538 (11th Cir. 1985). It reasoned that the policy language did not require the insured to pay any amount, disputed or undisputed, because the total amount of the building loss was contested, and thus subject to arbitration. <i>Id.</i>
Alaska	Alaska Stat. § 21.36.125	Pay undisputed amounts as soon as possible. An insurer may not “fail to attempt in good faith to make prompt and equitable settlement of claims in which liability is reasonably clear.”
Arizona	Ariz. Admin. Code § R20-6-801(G)(4)	Pay undisputed amounts within 30 days of receiving proof of loss. Within 30 days after receipt of an acceptable proof of loss which contains all information necessary for claim adjudication. Date of payment is date shown by the postmark or other official mark of the United States mail stamped on the payment envelope

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Arkansas	Ark. Code Ann. § 23-79-208	<p>Pay undisputed amounts as soon as possible.</p> <p>Ark. Code Ann. § 23-79-208 Arkansas law does not explicitly require the payment of undisputed amounts within a certain period of time. However, Arkansas statute does require a property insurer to pay all losses under the policy “within the time specified in the policy after the demand is made.” Ark. Code Ann.</p> <p>Failure to pay the loss amount may result in statutory penalties, in addition to the amount of the loss, of “twelve percent (12%) damages upon the amount of the loss, together with all reasonable attorney’s fees for the prosecution and collection of the loss.” Id.</p>
California	Cal. Code Regs. Tit. 10, § 2695.7(h)	<p>Undisputed amounts must be paid within 30 days.</p> <p>Undisputed amounts must be paid immediately, but no later than within 30 calendar days.</p>
Colorado	3 Colo. Code Regs. § 702-5-1-14 Sec. 4(A)(1)	<p>Undisputed amounts must be paid within 60 days of receiving the claim.</p> <p>The Colorado Code of Regulations requires an insurer to "make a decision on claims and/or pay benefits within sixty (60) days after receipt of a valid and complete claim unless there is a reasonable dispute between the parties."</p> <p>While there are no Colorado cases mandating payment of the undisputed amount, fairly recent Colorado cases have held that "fair debatability" of a claim was not a threshold defense to a bad faith claim for "unreasonable" delay in payment. <i>Sanderson v. American Family Ins. Co.</i>, 2010 Colo. App. LEXIS 1665. This would suggest payment of undisputed amounts should be made while the insurer investigates the remainder of the claim.</p>
	Colo. Rev. Stat. § 10-3-1115(1)(a)	An insurer may not “unreasonably delay or deny payment of a claim for benefits owed to or on behalf of a first party claimant.”

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Connecticut	Connecticut Unfair Insurance Practices Act (CUIPA) §38a-816	<p>Pay undisputed amounts as soon as possible.</p> <p>(6) Unfair claim settlement practices... (f) not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear</p> <p>A Connecticut Unfair Trade Practices Act (CUTPA) claim based on an alleged unfair claim settlement practice prohibited by Conn. Gen. Stat. § 38a-816(6) requires proof, as under the Connecticut Unfair Insurance Practices Act (CUIPA), that the unfair settlement practice has been committed or performed by a defendant with such frequency as to indicate a general business practice. The plaintiff must allege that the defendant has committed the alleged wrongful acts with such frequency as to indicate a general business practice. <i>Katz v. Hartford Fin. Servs. Group, Inc.</i>, 2012 Conn. Super. LEXIS 1269 (Conn. Super. Ct. May 11, 2012)</p> <p>Bad faith means more than mere negligence; it involves a dishonest purpose. Bad faith is not simply bad judgment or negligence, but rather it implies the conscious doing of a wrong because of dishonest purpose or moral obliquity. It contemplates a state of mind affirmatively operating with furtive design or ill will.</p> <p><i>Katz v. Hartford Fin. Servs. Group, Inc.</i>, 2012 Conn. Super. LEXIS 1269 (Conn. Super. Ct. May 11, 2012)</p>
Delaware	Del. Code Ann. tit. 18, § 2304(16)(f)	<p>Pay undisputed amounts as soon as possible.</p> <p>Delaware law prohibits an insurer from “[n]ot attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.”</p>
District of Columbia	DC Stat. § 31-2231.17	<p>Pay undisputed amounts as soon as possible.</p> <p>(a) No person shall commit or perform with such frequency as to indicate a general business practice any of the following: (2) refuse to pay a claim for a reason that is arbitrary or capricious based on all available information;</p>

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		<p>***</p> <p>(5) fail to settle a claim promptly whenever liability is reasonably clear under one portion of a policy in order to influence settlements under other portions of the policy;</p> <p>(b) No person shall commit or perform with such frequency as to indicate a general business practice any of the following:</p> <p>(5) fail to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed or after having completed its investigation related to the claims;</p> <p>(6) not attempt in good faith to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear;</p> <p>(12) unreasonably delay the investigation or payment of claims by requiring both a formal proof of loss and subsequent verification that would result in duplication of information and verification appearing in the formal proof of loss form.</p>
<p>Florida</p>	<p>Florida Statutes § 626.9541(1)(i)</p>	<p>Pay undisputed amounts within 90 days after receipt of claim.</p> <p>F.S. § 626.9541(i) Unfair Claims Settlement Practices...(4) Failing to pay undisputed amounts of partial or full benefits owed under first-party property insurance policies within 90 days after an insurer receives notice of a residential property insurance claim, determines the amounts of partial or full benefits, and agrees to coverage, unless payment of the undisputed benefits is prevented by an act of God, prevented by the impossibility of performance, or due to actions by the insured or claimant that constitute fraud, lack of cooperation, or intentional misrepresentation regarding the claim for which benefits are owed.</p> <p>Violations of this provision could be grounds for a private civil remedy under §624.155.</p> <p>The elements of the payment-triggering coverage are:</p> <ol style="list-style-type: none"> 1) Notice to the insurer; 2) Determine the amount of partial or full benefits; and, 3) Agree to coverage. <p>If each of these elements is met, the statute requires that the insurer pay the undisputed amount of benefits owed within 90 days or it may be subject to civil action.</p>

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Georgia	Ga. Comp. R. & Regs 120-2-52-.03	<p>Pay undisputed amounts within 10 days of determination that amounts are not in dispute.</p> <p>Ga. Comp. R. & Regs 120-2-52-.03(4) provides that an insurer must pay a first-party property damage claim within 10 days after coverage is confirmed and full amount of claim is determined and not in dispute.</p> <p>There are no Georgia cases on point addressing payment of undisputed amounts or partial payment of claims.</p>
Hawaii	Haw. Rev. Stat. § 431:13-103(a)(11)(F)	<p>Pay undisputed amounts within 30 days.</p> <p>Within 30 calendar days of affirmation of liability.</p>
Idaho	<p><i>Chester v. State Farm Ins. Co.</i>, 117 Idaho 538, 789 P.2d 534 (Idaho Ct. App. 1990)</p>	<p>Pay undisputed amounts as soon as possible.</p> <p>Refusal to pay undisputed claims may result in a bad faith judgment. <i>See Chester v. State Farm Ins. Co.</i>, 117 Idaho 538, 541, 789 P.2d 534, 538 (Idaho Ct. App. 1990). “In order to prove bad faith, an insured must show that the insurer intentionally or unreasonably denied or delayed payment of his claim.” <i>Id.</i> (affirming jury’s finding of bad faith against the insurer for refusing to make a settlement offer for undisputed claims for eight months). An insurer will not be protected from a bad faith claim for refusal or delay in paying undisputed claims by its contractual rights under a policy. <i>See Inland Grp. Of Cos. v. Providence Wash. Ins. Co.</i>, 133 Idaho 249, 256, 985 P.2d 674, 681 (1999) (“The existence of a right to arbitration of genuinely disputed claims and to request necessary documentation of claims cannot shield an insurer who demands arbitration of claims that are not genuinely disputed or requests unnecessary documentation merely to delay the settlement process.”).</p>
Illinois	§ 919.50 Required Practices For All Insurance Companies.	<p>Pay undisputed amounts within 30 days of claim no longer being in dispute.</p> <p>§ 919.50 Required Practices For All Insurance Companies</p> <p>The company shall affirm or deny liability on claims within a reasonable time and shall offer</p>

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	<i>Green v. Int'l Ins. Co.</i> , 238 Ill. App. 3d 929 (Ill. App. Ct. 2d Dist. 1992); <i>Castellano v. State Farm Mut. Auto. Ins. Co.</i> , 2013 IL App (5th) 120304-U, P15 (Ill. App. Ct. 5th Dist. 2013)	<p>payment within 30 days after affirmation of liability, if the amount of the claim is determined and not in dispute. For those portions of the claim which are not in dispute and for which the payee is known, the company shall tender payment within said 30 days.</p> <p>“[W]here an insurer does not dispute its obligation to an undisputed amount of a disputed claim, it may not withhold that amount to force the insured to accede to its position regarding the disputed portion of the claim.”</p> <p>An unreasonable delay in the payment of benefits may give rise to a section 155 action despite the fact that benefits were eventually paid.</p>
Indiana	<i>Burns Ind. Code Ann. § 27-4-1-4.5</i>	<p>Pay undisputed amounts as soon as possible.</p> <p>27-4-1-4.5. Unfair claims settlement practices.</p> <p>The following are unfair claim settlement practices:</p> <p>***</p> <p>(5) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed.</p> <p>(6) Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.</p>
Iowa	<i>Penford Corp. v. Nat'l Union Fire Ins. Co.</i> , 662 F.3d 497 (8th Cir. 2011) (applying Iowa law).	<p>Pay undisputed amounts within 30 days of receiving a proof of loss.</p> <p>An insurer that complied with the property policy at issue by paying all undisputed claims within 30 days of receiving a sworn statement of proof of loss was not liable for bad faith.</p>

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Kansas	Kan. Stat. Ann. § 40-2404(9)	<p>Pay undisputed amounts as soon as possible.</p> <p>It is an unfair claim settlement practice to not attempt in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.</p>
Kentucky	806 Ky.Admin.Reg. 12:095 § 6(6)	<p>Insurer must pay the undisputed amount within 30 days.</p> <p>806 Ky. Admin Regs. 12:095 §6(6) states:</p> <p>(6) Subject to subsection (1)(a) of this section relating to first party claims, insurers shall affirm or deny liability on claims within a reasonable time and shall tender payment within thirty (30) days of affirmation of liability, if the amount of the claim is determined and not in dispute. If claims involve multiple coverages, and if the payee is known, payments which are not in dispute shall be tendered within thirty (30) calendar days. (Emphasis added.)</p>
Louisiana	L.A. R.S. § 22:1973; L.A. R.S. § 22:1892; <i>Dupree v. Lafayette Ins. Co.</i> , 51 So. 3d 673 (La. 2010).	<p>Pay undisputed amounts within 30 days of receiving a proof of loss.</p> <p>First-party property insurers must pay “the amount of any claim due any insured within thirty days after receipt of satisfactory proofs of loss from the insured or any party in interest.”</p> <p>Failure to make such payment within thirty days after receipt of satisfactory proofs of loss, “when such failure is found to be arbitrary, capricious, or without probable cause, shall subject the insurer to a penalty, in addition to the amount of the loss, of fifty percent damages on the amount found to be due from the insurer to the insured, or one thousand dollars, whichever is greater.”</p> <p>L.A. R.S. §22:1973</p> <p>“An insurer . . . owes to his insured a duty of good faith and fair dealing. The insurer has an affirmative duty to adjust claims fairly and promptly and to make a reasonable effort to settle claims with the insured or the claimant, or both. Any insurer who breaches these duties shall be liable for any damages sustained as a result of the breach.”</p>

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		<p>An insurer's failure to meet its obligations under §22:1892 constitutes a breach of its duty imposed by this Section.</p> <p>A violation of this section may result in "penalties assessed against the insurer in an amount not to exceed two times the damages sustained or five thousand dollars, whichever is greater."</p> <p><i>Dupree v. Lafayette Ins. Co.</i>, 51 So. 3d 673 (La. 2010).</p> <p>"[A]n insurer need not pay a disputed amount in a claim for which there are substantial, reasonable, and legitimate questions as to the extent of the insurer's liability or of the insured's loss." However, an insured must pay "any undisputed amount over which reasonable minds could not differ." Failure to pay such undisputed amount is considered "arbitrary, capricious or without probable cause" and subjects the insurer to penalties.</p>
Maine	Me. Rev. Stat. tit. 24-A, § 2436	<p>Pay undisputed amounts within 30 days of receiving a proof of loss.</p> <p>A claim for payment of benefits under an insurance policy is payable within 30 days after the insurer receives proof of loss and ascertainment of the loss is made.</p> <p>A claim that is neither disputed nor paid within 30 days is overdue. If, during the 30 days, the insurer, in writing, notifies the insured that reasonable additional information is required, the undisputed claim is not overdue until 30 days following the insurer's receipt of additional required information.</p> <p>If an insurer fails to pay an undisputed claim or any undisputed part of the claim within this timeframe, the amount of the overdue claim or part of the claim accrues interest at the rate of 1 1/2 % per month after the due date. An insured may also be entitled to a reasonable attorney's fee in an action on an overdue claim if the overdue benefits are recovered in an action or if the overdue benefits are paid after receipt of the notice of the attorney's representation.</p>

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Maryland		Pay undisputed amounts as soon as possible.
	Md. Code Ann., Insurance § 27-303	It is an unfair claim settlement practice for an insurer to refuse to pay a claim for an arbitrary or capricious reason based on all available information; fail to settle a claim promptly whenever liability is reasonably clear under one part of a policy, in order to influence settlements under other parts of the policy; or fail to act in good faith in settling a first-party claim under a property and casualty insurance.
Massachusetts		Pay undisputed amounts as soon as possible.
	Mass. Gen. Laws ch. 176D, § 3.	It is an unfair claims settlement practice to fail “to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.”
Michigan		Pay undisputed amounts within 60 days of receipt of proof of loss.
	MCLA Sec. 500.2006(4)	When a proof of loss is submitted insurers must make payment within 60 days of its receipt. Otherwise, the claim will be subject to 12% penalty interest.
Minnesota		Pay undisputed amounts as soon as possible.
	Minn. Stat. § 72A.201	72A.201 REGULATION OF CLAIMS PRACTICES *** Subd. 5. <i>Standards for fair settlement offers and agreements.</i> --The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices: (1) making any partial or final payment, settlement, or offer of settlement, which does not include an explanation of what the payment, settlement, or offer of settlement is for; (2) making an offer to an insured of partial or total settlement of one part of a claim contingent upon agreement to settle another part of the claim;

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		<p>(3) refusing to pay one or more elements of a claim by an insured for which there is no good faith dispute;</p> <p>(4) threatening cancellation, rescission, or nonrenewal of a policy as an inducement to settlement of a claim;</p> <p>(5) notwithstanding any inconsistent provision of section 65A.01, subdivision 3, failing to issue payment for any amount finally agreed upon in settlement of all or part of any claim within five business days from the receipt of the agreement by the insurer or from the date of the performance by the claimant of any conditions set by such agreement, whichever is later;</p>
	<i>Pillsbury Co. v. Nat'l Union Fire Ins. Co.</i> , 425 N.W.2d 244, 248 (Minn. Ct. App. 1988)	"[W]the insurer refuses to pay or unreasonably delays payment of an undisputed amount, it breaches the contract and is liable for the loss that naturally and proximately flows from the breach."
Mississippi		<p>Various deadlines. Insurers are required to pay claims electronically submitted with 25 days after receipt. Insurers are required to pay claims submitted by paper within 35 days.</p>
	Miss. Code. Ann. 83-9-5(1)(h)1	<p>Undisputed portion of "clean claim" that is submitted electronically must be paid within 25 days after receipt of electronic clean claim.</p> <p>Undisputed portion of "clean claim" that is submitted in paper format must be paid within 35 days after receipt of written clean claim.</p> <p>For amounts that were in dispute and resubmitted with appropriate documentation or information, these amounts must be paid within 20 days after receipt.</p>
Missouri		Pay undisputed amounts as soon as possible.
	Mo. Rev. Stat. § 375.420	In an action against an insurer to recover the amount of any loss under a property policy, "if it

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		<p>appears from the evidence that such company has refused to pay such loss without reasonable cause or excuse, the court or jury may, in addition to the amount thereof and interest, allow the plaintiff damages not to exceed twenty percent of the first fifteen hundred dollars of the loss, and ten percent of the amount of the loss in excess of fifteen hundred dollars and a reasonable attorney's fee."</p> <p>If an open question of law or fact exists, "the insurer may insist upon a judicial determination of those questions without being penalized." <i>Hensley v. Shelter Mut. Ins. Co.</i>, 210 S.W.3d 455, 465 (Mo. Ct. App. 2007). However, the existence of a litigable issue "does not preclude a vexatious penalty where there is evidence the insurer's attitude was vexatious and recalcitrant." <i>Id.</i></p>
Montana	Mont. Code Ann. § 33-18-201	<p>Pay undisputed amounts as soon as possible.</p> <p>It is an unfair claims settlement practice to:</p> <p>"[N]eglect to attempt in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear."</p>
Nebraska	Nebraska Admin. Code Title 210, Ch. 60, § 008.04	<p>Must pay undisputed amounts within 15 days of acceptance of claim.</p> <p>The insurer shall offer to claimants, within 15 days of receipt of settlement information, amounts within policy limits which are fair and reasonable as shown by the insurer's completed investigation, i.e. the undisputed portion. The insurer shall tender payment within 15 days of the claimant's acceptance.</p>
Nevada	Nev. Admin. Code § 686A.675(1)	<p>Must pay undisputed amount within 30 days of accepting a claim.</p> <p>Within 30 working days after acceptance of the claim. Failure to pay can subject carrier to interest penalty.</p>

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New Hampshire	N.H. Code Admin. R. Ann. Ins 1002.05(d), 1002.07	<p>Pay undisputed amounts as soon as possible.</p> <p>N.H. Code Admin. R. Ann. Ins 1002.07 Undisputed Amounts In any case where there is no dispute as to one or more elements of the claim, an offer of settlement for such undisputed elements shall be made without prejudice to either party notwithstanding the existence of disputes as to other elements of the claim.</p> <p>N.H. Code Admin. R. Ann. Ins 1002.05(d) Claims Settlement Time Limits Every insurer shall pay all or part of a claim within 5 working days from date of agreement with an insured or claimant; or within 5 working days after receipt of documentation needed to process the claim for payment as requested by the insurer.</p>
New Jersey	N.J. Stat. Ann. § 17:29B-1 to -14; <i>Pickett v. Lloyds</i> , 131 N.J. 457 (1992)	<p>Pay undisputed amounts as soon as possible.</p> <p>N.J. Stat. Ann. § 17:29B-1 to -14 regulates the insurance trade by defining and prohibiting unfair practices, among them, not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear. N.J. Stat. Ann. § 17:29B-4(9)(f).</p> <p>To show a claim for bad faith, plaintiff must show the absence of a reasonable basis for denying benefits of the policy and defendant's knowledge or reckless disregard of the lack of a reasonable basis for denying the claim. <i>Pickett v. Lloyds</i>, 131 N.J. 457 (1992). Implicit in that test is that the knowledge of the lack of a reasonable basis may be inferred and imputed to an insurance company where there is a reckless indifference to facts or to proofs submitted by the insured. <i>Pickett</i>, 131 N.J. at 453, quoting, <i>Anderson v. Cont'l Ins. Co.</i>, 85 Wis. 2d 675 (1978).</p>
		When the issue involves not a denial or refusal to pay a claim but inattention to payment of a

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		valid, uncontested claim the test appears to be essentially the same. In the first-party context an insurer acts in bad faith in delaying the processing of a valid claim when (1) the insurer's conduct is unreasonable, and (2) the insurer knows that the conduct is unreasonable or recklessly disregards the fact that the conduct is unreasonable. <i>Pickett</i> , 131 N.J. at 474.
New Mexico	N.M. Stat. Ann. § 59A-16-21	Must pay undisputed amounts within 45 days of receiving a proof of loss.
New York	New York Insurance - Article 26 - § 2601 Unfair Claim Settlement Practices	An insurer that fails to pay an insured the amount they are justly due within forty-five days after required proof of loss has been furnished will be liable for the amount due and unpaid with interest on that amount at the rate of one and one-half times the prime lending rate. Pay undisputed amounts as soon as possible.
		Unfair claim settlement practices penalties: (a) ...Any of the following acts by an insurer, if committed without just cause and performed with such frequency as to indicate a general business practice, shall constitute unfair claim settlement practices: (4) not attempting in good faith to effectuate prompt, fair and equitable settlements of claims submitted in which liability has become reasonably clear, except where there is a reasonable basis supported by specific information available for review by the department that the claimant has caused the loss to occur by arson. After receiving a properly executed proof of loss, the insurer shall advise the claimant of acceptance or denial of the claim within thirty (30) working days; (c) If it is found, after notice and an opportunity to be heard, that an insurer has violated this section, each instance of noncompliance with subsection (a) hereof may be treated as a separate violation of this section for purposes of ordering a monetary penalty pursuant to subsection (b) of section one hundred nine of this chapter. A violation of this section shall not be a misdemeanor.
North Carolina		Pay undisputed amounts as soon as possible.

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	N.C. Gen. Stat. § 58-3-100; § 58-63-15	<p>It is an unfair claims settlement practice to not attempt in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.</p> <p>The Insurance Commissioner may, after notice and opportunity for a hearing, revoke, suspend, or restrict the license of any insurer if the insurer makes a practice of unduly engaging in litigation or of delaying the investigation of claims or the adjustment or payment of valid claims.</p>
North Dakota	N.D. Cent. Code § 26.1-04-03(9)(d)	<p>Pay undisputed amounts as soon as possible.</p> <p>It is considered an unfair business practice for an insurer to fail in good faith to effectuate “prompt, fair and equitable settlements of claims in which liability has become clear.</p>
Ohio	OAC Ann. 3901-1-54(G)(6)	<p>Within 10 days after acceptance of the claim by insurer.</p>
Oklahoma	36 Okl. St. § 1250.7 OAC 365:15-3-7	<p>Must pay undisputed amount within 45 days of receiving the proof of loss.</p> <p>No statute or administrative code provide for a specific payment deadline for undisputed amounts.</p> <p>Statute provides that within 45 days (not business days) after receipt of the properly executed proof of loss, the insurer must accept, deny, or provide reasons why additional time is needed to accept or deny a claim.</p> <p>Administrative code provides that within 45 business days after receipt of the properly executed proof of loss, the insurer must accept, deny, or provide reasons why additional time is needed to accept or deny a claim. Administrative code also provides that insurers shall not unreasonably delay negotiations for settlement of a claim.</p>
Oregon	Or. Admin. R. 836-080-0225	<p>Pay undisputed amounts as soon as possible.</p> <p>There is no specific provision addressing payment of undisputed amounts. Generally, an</p>

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		insurer must acknowledge the claim or pay the claim within 30 days of receiving notification of the claim.
Pennsylvania		Pay undisputed amounts as soon as possible.
	40 P.S. § 1171.1 and 1171.1 (Unfair Insurance Practices Act); 42 P.S § 8371; 31 Pa. Code §§ 146.1-8; <i>Terletsky v. Prudential Prop. & Cas. Ins. Co.</i> , 649 A.2d 680, 688 (Pa. Super. 1994)	An insurer has an obligation of prompt payment of claims as set forth in the provisions of Unfair Insurance Practices Act, 40 P.S. § 1171.1 et. seq. (“UIPA”), which requires the insurer to effectuate prompt, fair and equitable settlements of claims in which the company's liability under the policy has become reasonably clear.
		A private party cannot assert a bad faith claim under UIPA as no private right of action exists. <i>Atiyeh v. Nat’l Fire Ins. Co. of Hartford</i> , 20008 U.S. Dist. LEXIS 76770, citing <i>Sabo v. Metro.Life Ins. Comp.</i> , 137 F.3d 185, 192 (3d Cir. 1998)).
		A private cause of action does exist pursuant to Pennsylvania’s bad faith statute, 42 P.S. § 8371. Bad faith has been defined as any frivolous or unfounded refusal to pay proceeds of a policy; it is not necessary that such refusal be fraudulent. <i>Terletsky v. Prudential Property & Casualty Ins. Co.</i> , 649 A.2d 680, 688 (Pa. Super. 1994). In <i>Terletsky</i> the Pennsylvania Superior Court applied a two-part test, both elements of which must be supported with clear and convincing evidence: (1) that the insurer lacked a reasonable basis for denying benefits; and (2) that the insurer knew or recklessly disregarded its lack of reasonable basis.
Rhode Island		Pay undisputed amounts as soon as possible.
	Rhode Island Stat. § 27-9.1-4	Rhode Island Stat. § 27-9.1-4 “Unfair Claims Practices” defined (a) Any of the following acts, by an insurer, if committed in violation of § 27-9.1-3 constitutes an unfair claims practice: (4) not attempting in good faith to effectuate prompt, fair and equitable settlement of claims submitted on which liability has become reasonably clear

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South Carolina	S.C. Code Annotated § 38-59-20	<p>Pay undisputed amounts as soon as possible.</p> <p>S.C. Code Annotated § 38-59-20 “Improper Claims Practices” defined Any of the following acts by an insurer, if committed without just cause and performed with such frequency as to indicate a general business practice, constitutes improper claim practices: (3) failing to adopt and implement reasonable standards for the prompt investigation and settlement of claims, including third party liability claims, arising under its policies. (4) not attempting in good faith to effect prompt, fair and equitable settlement of claims, including third party liability claims, submitted to it in which liability has become reasonably clear. (5) any other practice which constitutes an unreasonable delay in paying or an unreasonable failure to pay or settlement in full claims, including third party liability claims arising under coverages provided by its policies.</p>
South Dakota	S.D. Codified Laws § 58-33-67	<p>Pay undisputed amounts as soon as possible.</p> <p>S.D. Codified Laws § 58-33-67(4) It is an unfair or deceptive act to fail to promptly settle claims, where liability has become reasonably clear under one portion of the insurance policy coverage to influence settlements under other portions of the insurance policy coverage.</p>
Tennessee	Tenn. Code Ann. § 56-8-105	<p>Undisputed amounts should be paid within 60 days of claim.</p> <p>Tenn. Code Ann. § 56-8-105 does not specify any dates with respect to the prompt payment of claims.</p> <p>Tenn. Code Ann. § 56-7-105, however, indicates that an insurer can be held in bad faith for failure to pay a claim within 60 days.</p> <p>There are no Tennessee cases on point regarding advance payments of undisputed amounts.</p>

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Texas	<p>Tex. Ins. Code § 542.051, <i>et seq.</i></p> <p>Tex. Ins. Code. § 542.057(a): "Except as otherwise provided by this section, if an insurer notifies a claimant under Section 542.056 that the insurer will pay a claim or part of a claim, the insurer shall pay the claim not later than the 5th business day after the date notice is made.</p>	<p>Pay undisputed amounts as soon as possible.</p> <p>The Texas Insurance Code provides that an insurer must pay the claim 5 business days after giving notice to the insured that it will pay the claim. However, sub-section (b) of the code section provides that if the "payment of the claim or part of the claim is conditioned on the performance of any act by the claimant, the insurer shall pay the claim no later than the fifth business day after the date the act is performed." (Emphasis added.) The inclusion of the phrase "or part of the claim" would appear to suggest that undisputed or partial payments are required within this timeframe.</p> <p>While Texas courts require payment within 5 business days, Texas also provides a carve-out to this rule by permitting insurers to condition the payment upon an act by the insured, thus extending the time in which to pay. Note that the conditions cannot be unreasonable. <i>Delagarza v. State Farm Mutual Automobile Insurance Company</i>, 181 S.W.3d 755 ("an insurance company could not delay payment...by insisting on a release 'to which it is not ultimately entitled.'")</p> <p>Notwithstanding the lack of a clear provision requiring payment of undisputed amounts, Texas courts encourage "insurers to pay the undisputed portion of a claim early, consistent with the state's purpose 'to obtain prompt payment of claims made pursuant to policies of insurance.'" <i>Republic of Underwriters Insurance Co. v. Mex-Tex, Inc.</i>, 150 s.W.3d 423 (2004).</p>
Utah	Utah Admin. Code r. 590-190-10(3)	<p>Must pay undisputed amounts within 30 days of receiving proof of loss.</p> <p>Utah Admin. Code r. 590-190-10(3) Minimum Standards for Prompt, Fair and Equitable Settlements</p> <p>Unless otherwise provided by law, an insurer shall promptly pay every valid insurance claim. A claim shall be overdue if not paid within 30-days after the insurer is furnished written proof of the fact of a covered loss and of the amount of the loss. If such written proof is not furnished to the insurer as to the entire claim, any partial amount supported by written proof or investigation must be paid within 30-days. However, a payment will not be deemed overdue</p>

STATE	CONTROLLING CASE OR STATUTE	Summary of Case or Statute
Vermont	Vt. Stat. Ann. tit. 8, § 4724	<p>when the insurer has reasonable evidence to establish that the insurer is not responsible for the payment.</p> <p>Pay undisputed amounts as soon as possible.</p> <p>Vt. Stat. Ann. tit. 8, § 4724(9) It is an unfair claim settlement practice to not attempt in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.</p>
Virginia	Va. Code Ann. § 38.2-510(A)(6)	<p>Pay undisputed amounts as soon as possible.</p> <p>An insurer must attempt in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear.</p>
Washington	Wash. Admin. Code § 284-30-330	<p>Pay undisputed amounts as soon as possible.</p> <p>Undisputed amounts must be paid “promptly,” but no specific time deadline.</p>
West Virginia	W. Va. Code R. § 114-14-6.8; § 114-14-6.9	<p>Pay undisputed amounts as soon as possible.</p> <p>W. Va. Code R. § 114-14-6.8 Standards for Prompt Investigations and Fair and Equitable Settlements Applicable to all Insurers In any case where there is no dispute as to one ore more elements of a claim, payment for such elements must be made notwithstanding the existence of disputes as to other elements of the claim where such payment can be made without prejudice to either party.</p> <p>W. Va. Code R. § 114-14-6.9 Every insurer must pay any amount finally agreed upon in settlement of all or part of any claim not later than fifteen working days from the receipt of such agreement by the insurer or from the date of the performance by the claimant of any condition set by such agreement.</p>

STATE	CONTROLLING CASE OR STATUTE	Summary of Case or Statute
Wisconsin	Wis. Stat. § 628.46	<p>Pay undisputed amounts within 30 days of receiving written notice of covered loss.</p> <p>An insurer must pay every insurance claim within 30 days after the insurer is furnished with written notice of the fact of a covered loss and of the amount of the loss. If such written notice is not provided as to the entire claim, any partial amount supported by written notice must still be paid within 30 days. An exception to this provision exists only when the insurer has reasonable proof to establish that the insurer is not responsible for the payment.</p> <p>In <i>Olson v. Milwaukee Mut. Ins. Co.</i>, the Court held that, because the “dwelling loss portion” of the insured’s claim was disputed, the insurer had no duty to tender payment of any part of that claim, even the amount that was undisputed, prior to arbitration. 1991 Wisc. App. LEXIS 224, at *7-8 (Wis. Ct. App. Mar. 26, 1991) (limited precedent opinion).</p>
Wyoming	Wyo. Stat. Ann. § 26-13-124(vi)	<p>Pay undisputed amounts as soon as possible.</p> <p>Wyo. Stat. Ann. § 26-13-124(vi) Unfair Claims Settlement Practices</p> <p>It is an unfair settlement practice to not attempt in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.</p>