

Automobile Insurance Claims Notification Requirements Fact Sheet

Background

Current regulations do not require insurance companies to notify policy holders of claims received or amounts paid on claims from third parties. The Superintendent of Insurance receives complaints each year from consumers who learn that claims have been paid on their policies without their knowledge.

It is important that consumers are aware of the actual claims history on their policy. Consumers should be notified of claims received or claims paid on their policies to allow them an opportunity to respond to factors that may influence their premiums.

Newfoundland and Labrador has had these notice requirements in effect since August 2004.

Regulatory Amendments

The *Automobile Insurance Prohibited Risk-Classification Factors Regulations* are being amended to add provisions that require:

- an insurer that receives a claim from a person who is or alleges to be entitled to recover from an insured covered by a motor vehicle liability policy to inform the insured in writing of receipt of the claim
- an insurer that makes a payment on behalf of an insured under a contract evidenced by a motor vehicle liability policy to a person making a claim to inform the insured in writing of the total amount paid with respect to the claim.

Timing

The new requirements will be effective **November 1, 2008**.

